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Programme budget for the biennium 2010-2011

Second performance report on the programme budget for the biennium 2010-2011

Report of the Secretary-General

Summary

The present report provides an estimate of the anticipated final level of expenditures under the programme budget for the biennium 2010-2011, taking into account changes in parameters for inflation and exchange rates and cost-of-living adjustments compared with the assumptions made in the first performance report (A/65/589), which was reviewed by the General Assembly at its sixty-fifth session and which formed the basis for the revised appropriation and estimate of income for the biennium.

The revised requirements under the expenditure sections amount to $5,416.4 million, an increase of $49.2 million. The increase mainly reflects upward adjustments under 24 budget sections ($97.1 million), including requirements for section 1, Overall policymaking, direction and coordination ($6.3 million); section 2, General Assembly and Economic and Social Council affairs and conference management ($16.4 million); section 12, Trade and development ($10.8 million); section 13, International Trade Centre UNCTAD/WTO ($4.5 million); section 16, International drug control, crime and terrorism prevention and criminal justice ($3.7 million); section 19, Economic development in Europe ($6.4 million); section 20, Economic and social development in Latin America and the Caribbean ($8.0 million); section 23, Human rights ($8.1 million); section 25, Palestine refugees ($4.7 million); and section 28E, Administration, Geneva ($15.0 million). The increase is partly offset by a net decrease under 18 other budget sections ($47.9 million). The revised estimate under the income sections amounts to $601.3 million, reflecting an increase of $8.3 million.

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I. Introduction

1. The purpose of the second performance report on the programme budget for the biennium 2010-2011 is to provide an estimate of the anticipated final level of expenditures and income for the biennium. The estimate is based on actual expenditures for the first 21 months of the biennium, projected requirements for the last three months, changes in inflation and exchange rates and cost-of-living adjustments, using the approved recosting methodology as compared with the assumptions made in the first performance report (A/65/589), which was reviewed by the General Assembly at its sixty-fifth session and which formed the basis for the revised appropriation and estimate of income for the biennium 2010-2011. The estimates proposed in the present report represent a net increase of $40.9 million compared with the revised appropriation and estimate of income approved by the Assembly in its resolutions 65/260 A, B and C, as shown in table 1.

Table 1
Actual expenditure and income: 2010-2011
(Millions of United States dollars)

	Revised appropriation	*Present report*	*Increase (decrease)*	*Percentage*
Expenditure	5 367 234.7	5 416 433.7	49 199.0	0.9
Income	592 971.8	601 279.8	8 308.0	1.4
Net	4 774 262.9	4 815 153.9	40 891.0	0.9

2. The components of the net increase of $40.9 million are set out in table 2.

Table 2
Components of the net increase in requirements
(Millions of United States dollars (rounded))

1.	Increases	
	Changes in exchange rates	103.7
	Changes in inflation rates	11.9
	Commitments entered into under the provisions of resolution 64/246 on unforeseen and extraordinary expenses and in respect of decisions of policymaking organs	24.1
	Subtotal	**139.7**
2.	Reductions	
	Variations in post costs and adjustments to other objects of expenditure, based on actual anticipated requirements	(90.5)
	Increase in income	(8.3)
	Subtotal	**(98.8)**
	Net increase	**40.9**

3. The accompanying schedules, listed below, provide additional information on changes in requirements and revised budget assumptions, such as rates of exchange and cost of living:

(a) Schedule 1 contains a summary of projected expenditures by budget section and main determining factor for 2010-2011;

(b) Schedule 2 contains a summary of projected expenditures by object of expenditure and main determining factor for 2010-2011;

(c) Schedule 3 contains a summary of projected expenditures for each budget section by object of expenditure and main determining factor for 2010-2011;

(d) Schedule 4 contains rates of exchange relative to the United States dollar and inflation by duty station for 2010-2011;

(e) Schedule 5 contains United Nations operational rates of exchange relative to the United States dollar for 2011;

(f) Schedule 6 contains post adjustment multipliers applicable to staff in the Professional category and above for 2011;

(g) Schedule 7 contains changes in General Service salaries in local currency terms for 2010-2011;

(h) Schedule 8 contains average vacancy rates by budget section for 2008-2011.

4. The present report also includes information on recosting methodologies used by seven entities of the United Nations system in response to the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/65/604, para. 15) that the Secretary-General follow up with the remaining organizations that did not respond to the survey conducted in early 2010. In addition, the report includes the findings of the study undertaken to ascertain the impact of foreign currency fluctuations on the programme budget.

II. Expenditure sections

5. The overall changes in estimates under the expenditure sections of the budget are summarized in table 3.

Table 3
Summary of changes under expenditure sections: 2010-2011
(Millions of United States dollars)

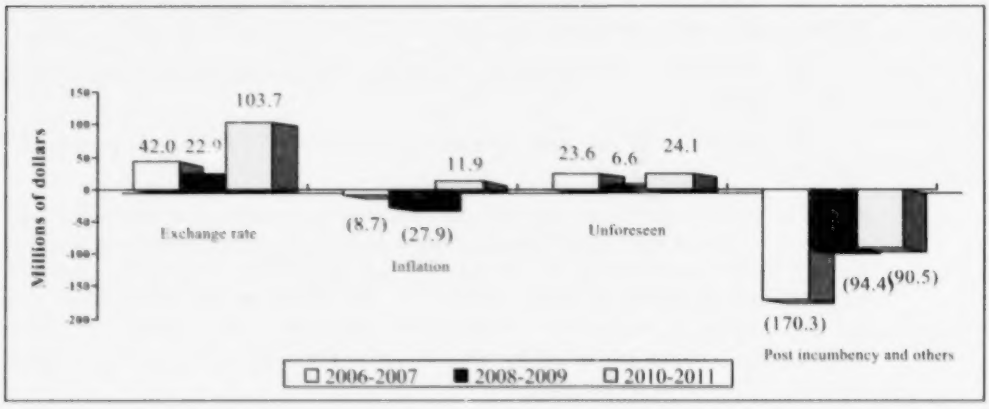
Revised appropriation	*Exchange rates*	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Other changes*	*Revised estimate*
5 367.2	103.7	11.9	24.1	(90.5)	5 416.4

Table 4
Breakdown of adjustments in the second performance report for the bienniums 2006-2007, 2008-2009 and 2010-2011

(Millions of United States dollars)

	Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and others*
2006-2007	42.0	(8.7)	23.6	(170.3)
2008-2009	22.9	(27.9)	6.6	(94.4)
2010-2011	103.7	11.9	24.1	(90.5)

Figure I
Breakdown of adjustments in the second performance report for the bienniums 2006-2007, 2008-2009 and 2010-2011 in graphic format



A. Rates of exchange and inflation (increase: $115,559,600)

6. The increase in requirements in this category is attributable to the generally unfavourable rates of exchange of the United States dollar in relation to a number of currencies ($103.7 million) as well as an increase in inflation ($11.9 million). Additional requirements resulting from exchange rate movements are reported at all duty stations except Nairobi, Addis Ababa, the United Nations Military Observer Group in India and Pakistan (UNMOGIP) and Port-of-Spain, where the exchange rates moved in a favourable direction and partially offset additional requirements elsewhere. The distribution of the $115.6 million increase resulting from fluctuations in the exchange rate and changes in inflation is shown, by duty station, in table 5.

Table 5
Increases and decreases in estimates due to changes in exchange rates and inflation, by duty station

(Millions of United States dollars)

Duty station	*Exchange rate*	*Inflation*	*Total*
New York		11.5	11.5
Geneva	93.3	(7.0)	86.3
Vienna	4.4	0.6	5.0
Nairobi	(4.9)	1.0	(3.9)
The Hague	1.0	0.3	1.3
Bangkok	3.6	0.1	3.7
Santiago	3.6	(1.0)	2.6
Addis Ababa	(1.0)	3.9	2.9
Other[a]	3.7	2.5	6.2
Total[b]	**103.7**	**11.9**	**115.6**

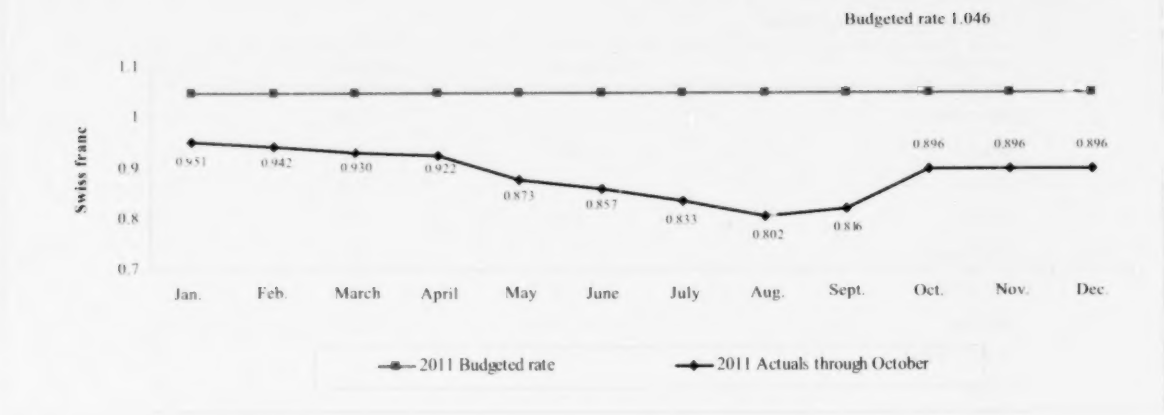
[a] Includes UNMOGIP, the Economic and Social Commission for Western Asia (ESCWA), Gaza/the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United Nations Truce Supervision Organization (UNTSO), Mexico City, Port-of-Spain, field security staff and United Nations information centres.

[b] Rounded.

7. In estimating the effect of exchange rate fluctuations experienced in 2011, the rates realized from January to October, with the October 2011 rate applied to November and December, have been used in the present report. Details of the budgeted and realized rates of exchange for all duty stations are contained in schedules 4 and 5.

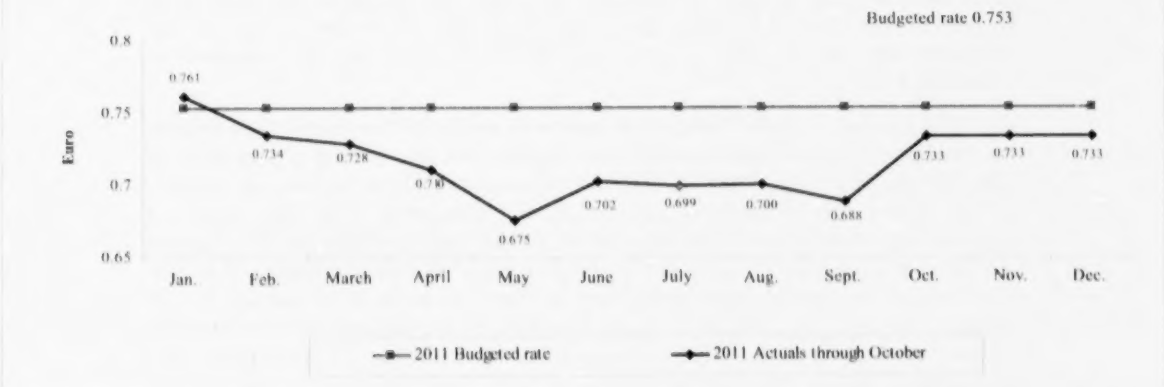
8. The increase of $103.7 million in respect of exchange rate fluctuations reflects the net impact of additional requirements ($109.6 million) arising at a number of duty stations, partially offset by reduced requirements ($5.9 million) in Nairobi, Addis Ababa, UNMOGIP and Port-of-Spain. Consistent with the approved methodology, calculations at the time of the revised appropriation for 2011 applied the October 2010 rates of exchange for Addis Ababa, Nairobi and Mexico City and the average rate for the rest of the duty stations, so as to allow for the lowest estimate for each duty station. The requirements in the present report reflect the general weakening of the United States dollar in a number of operational rates experienced during the year as compared with those assumed in the revised appropriation. Notably, whereas a rate of 1.046 Swiss francs (SwF) to the dollar was assumed in the revised appropriations, the average rate calculated for 2011, based on actual experience through October with the October 2011 rate applied to November and December, was 0.885 Swiss francs to the dollar, representing a variance of 15.4 per cent, as depicted in figure II.

Figure II
Performance of the Swiss franc against the United States dollar



9. With regard to the euro (€), the average rate for 2011 was €0.716 to the dollar, compared with €0.753 assumed in the revised appropriations, a variance of 4.9 per cent, as depicted in figure III.

Figure III
Performance of the euro against the United States dollar



10. Additional requirements as a result of the changes with respect to the Swiss franc and the euro amount to $93.3 million and $5.3 million, respectively. Similar weakening of the exchange rate of the dollar to the Chilean peso, the Thai baht and the new sheqel resulted in requirements of $3.6 million, $3.6 million and $3.4 million, respectively. The performance of the Chilean peso, the Thai baht and the new sheqel against the United States dollar based on actual monthly rates for January to October 2011 and projected for November and December is depicted in figures IV, V and VI.

Figure IV
Performance of the Chilean peso against the United States dollar

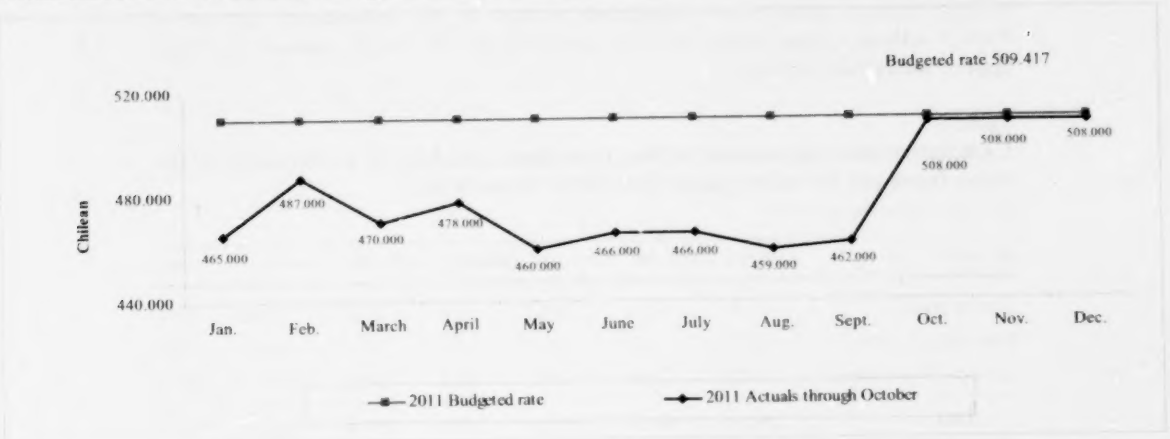


Figure V
Performance of the Thai baht against the United States dollar

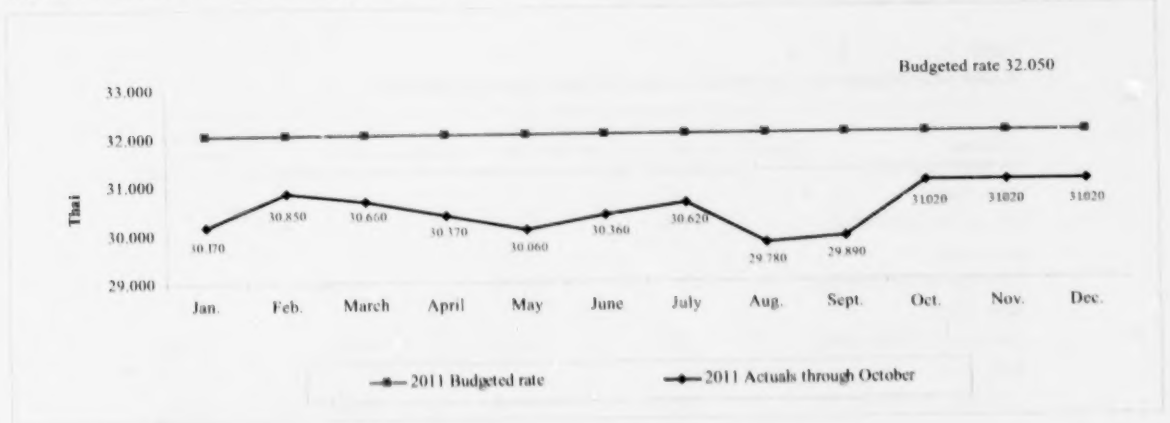
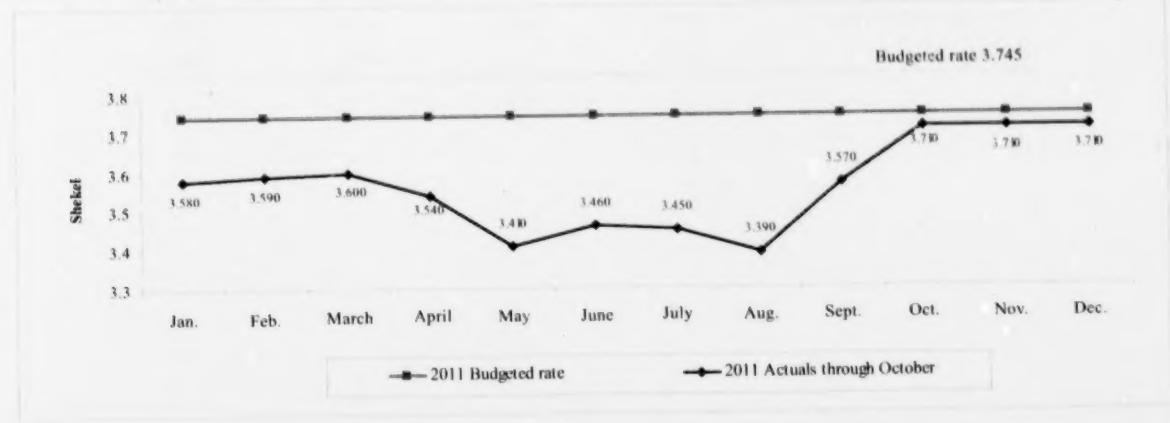


Figure VI
Performance of the new sheqel against the United States dollar



11. Over the last decade, the United States dollar has consistently weakened against the Swiss franc and the euro, resulting in increased requirements for the United Nations dollar-based programme budget in the approximate amount of $541.2 million, cumulatively, at rates approved in the initial, revised and final appropriation (see table 6).

Table 6
Cumulative recosting amount arising from fluctuations in the performance of the Swiss franc and the euro against the United States dollar

(Millions of United States dollars)

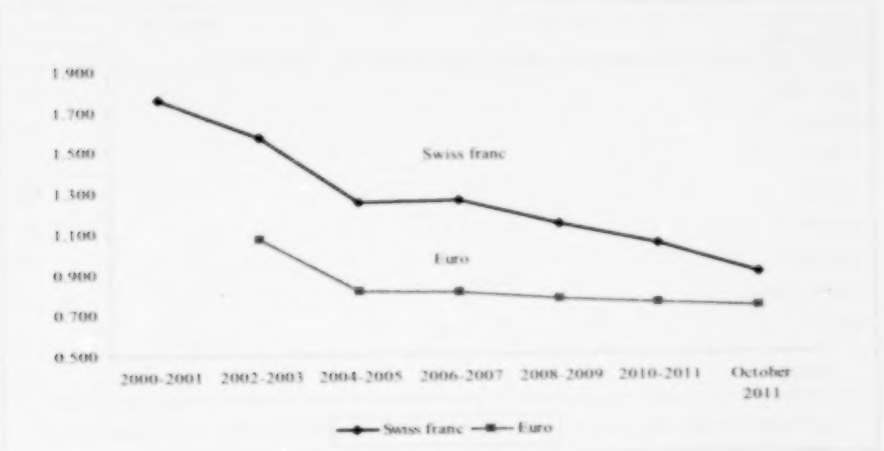
Biennium	*2000-2001*	*2002-2003*	*2004-2005*	*2006-2007*	*2008-2009*	*2010-2011*	***Total***
Vienna (euro)	(16.2)	11.8	33.6	7.0	22.8	(2.3)	**56.7**
The Hague (euro)	(2.2)	2.3	8.2	3.5	5.4	(0.5)	**16.7**
Geneva (Swiss franc)	(76.2)	93.0	152.3	16.6	130.6	151.5	**467.8**
Total	**(94.6)**	**107.1**	**194.1**	**27.1**	**158.8**	**148.7**	**541.2**

12. Table 7 illustrates the approved rates for the Swiss franc and the euro at the revised appropriation in the past decade.

Table 7
Rates of exchange as approved in the revised appropriations

Biennium	*Swiss franc per United States dollar*	*United States dollar per Swiss franc*	*Euro per United States dollar*	*United States dollar per euro*
2000-2001 (December 2000 rates)	1.760	0.568		
2002-2003 (Average of 2002 rates)	1.575	0.635	1.073	0.932
2004-2005 (Average of 2004 rates)	1.255	0.797	0.813	1.230
2006-2007 (Average of 2006 rates)	1.262	0.792	0.804	1.244
2008-2009 (November 2008 rates)	1.140	0.877	0.773	1.294
2010-2011 (Average of 2010 rates)	1.046	0.956	0.753	1.328
October 2011	0.896	1.116	0.733	1.364

Figure VII
Approved rates of the Swiss franc and the euro over the decade 2000-2011



13. With regard to inflation, adjustments are based on the latest information available (October 2011 rates) on consumer price indices as well as adjustments resulting from differences in actual post adjustment indices for staff in the Professional category and above and actual cost-of-living adjustments of salary scales for staff in the General Service and related categories compared with the assumptions made in the revised appropriations. The estimated increased requirement of $11.9 million to account for inflation is attributable to an increase in respect of non-post objects of expenditure ($12.9 million) and General Service staff salaries ($2.3 million), partially offset by decreased requirements in related staff assessment ($0.1 million) and salaries for staff in the Professional category and above ($3.2 million).

14. Changes in the cost of salaries for staff in the Professional category and above are a result of the post adjustment multipliers promulgated by the International Civil Service Commission (ICSC) in 2011. In the case of General Service staff costs, the adjustments are based on the cost-of-living adjustments implemented in 2011 against the assumptions made in the revised appropriation. The post-related changes due to inflation in New York reflect the upward adjustment of salaries for staff in the Professional category and above ($4.1 million) and in the General Service and related categories ($0.2 million) as well as in income from staff assessment ($1.0 million). A summary of the increases and decreases by duty station in post-related expenditures due to inflation, including staff assessment, are shown in table 8. Further details may be found in schedule 6, which contains information on the evolution of post adjustment multipliers by duty station and a comparison of the projected and actual indices, and schedule 7, which provides information, by duty station, on changes in salaries of staff in the General Service and related categories in local currency terms.

Table 8
Post-related increases and decreases in expenditure due to inflation, by duty station
(Millions of United States dollars)

Duty station	*Increase/(decrease)*
New York	5.4
Geneva	(6.7)
Vienna	–
Nairobi	0.7
Bangkok	(0.1)
Santiago	(0.9)
Addis Ababa	(0.9)
Other[a]	1.5
Total	**(1.0)**

[a] Includes UNMOGIP, ESCWA, Gaza/UNRWA/UNTSO, Mexico City, The Hague, Port-of-Spain, field security staff and United Nations information centres.

15. Regarding the revised inflation rates for non-post objects of expenditure, the realized 2011 rates reflect upward adjustments, mainly in New York ($6.1 million), Addis Ababa ($4.8 million) and Vienna ($0.6 million). The net effect of inflation on non-post items is an increase of $12.9 million across all duty stations. Schedule 4 contains details of the revised inflation rates by duty station for objects of expenditure other than posts.

B. Unforeseen and extraordinary expenses (increase: $13,168,600)

16. Information related to the requirements for unforeseen and extraordinary expenses and decisions of policymaking organs is set out below.

17. Under the terms of the General Assembly resolution 64/246, the Secretary-General is authorized, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to enter into commitments in the biennium 2010-2011 to meet unforeseen and extraordinary expenses, providing that the concurrence of the Advisory Committee shall not be necessary for: (a) such commitments not exceeding $8 million in any one year of the biennium as the Secretary-General certifies relate to the maintenance of peace and security; (b) such commitments as the President of the International Court of Justice certifies relate to expenses occasioned by a number of situations in the Court as prescribed in paragraph 1 (b), (i) to (v), of the resolution; and (c) such commitments not exceeding a total of $1 million in the biennium as the Secretary-General certifies are required for security measures pursuant to section XI, paragraph 6, of General Assembly resolution 59/276. Under the terms of paragraph 3 of the same resolution, if a decision of the Security Council results in the need for the Secretary-General to enter into commitments relating to the maintenance of peace and security in an amount exceeding $10 million dollars, that matter shall be brought to the Assembly or, if the Assembly is suspended or not in session, a resumed or special session of the Assembly shall be convened by the Secretary-General to consider the matter.

18. Under the provisions of resolution 64/246, total commitments of $13,168,600, certified by the Secretary-General as relating to the maintenance of peace and security, have been exercised.

19. Those expenses relate to budget sections 3, 5 and 23, as set out in table 9.

Table 9
Unforeseen expenses related to the maintenance of peace and security
(United States dollars)

Section 3. Political affairs	
Special Envoy of the Secretary-General for assistance to Pakistan	762 800
Special Envoy of the Secretary-General to Libya	1 513 400
United Nations support to transition in Egypt and Tunisia	364 000
Panel of Inquiry on the flotilla incident of 31 May 2011	318 300
United Nations Support Mission in Libya	9 961 600
Subtotal	**12 920 100**
Section 5. Peacekeeping operations	
Representative of the Secretary-General to the international discussions in Geneva and the Joint Incident Prevention and Response Mechanism	188 800
Subtotal	**188 800**
Section 23. Human rights	
Panel of Experts on Sri Lanka	59 700
Subtotal	**59 700**
Total, maintenance of peace and security	**13 168 600**

C. Decisions of policymaking organs

1. Integrated headquarters facility for the United Nations Assistance Mission for Iraq, Baghdad

Section 33. Construction, alteration, improvement and major maintenance ($579,000)

20. It will be recalled that, in 2009, by its resolution 63/263 the General Assembly approved a commitment authority in the amount of $5.0 million for design work for the construction of an integrated compound for the United Nations Assistance Mission for Iraq (UNAMI) in Baghdad. Because of delays in the project, no obligations were made in 2009, and a commitment authority of up to $5.0 million for the biennium 2010-2011 was approved by the Assembly in section VI of its resolution 64/245 in accordance with the recommendation of the Advisory Committee in its related report (A/64/7/Add.13, para. 180).

21. As reported in the Secretary-General's first performance report on the programme budget for the biennium 2010-2011 (A/65/589, para. 13), UNAMI awarded an architectural services contract for the project's schematic design, design development and construction documentation phases on 1 March 2010. On

4 January 2011, in connection with performance-related issues, UNAMI informed the contractor that the contract had officially expired as of 8 July 2010. Of the commitment authority of $5.0 million, an amount of $579,000 has been disbursed to the contractor and no further amounts are to be disbursed.

22. Alternate project planning was initiated during the project's design phase, as reflected in the first performance report (A/65/589, para. 14). The compound occupied by United States Agency for International Development (USAID), which was to be vacated by mid-2011, was identified as a viable alternative for UNAMI headquarters. After exclusively pursuing the option of relocation to that compound, following the termination of the design contract, the Government of Iraq handed over the premises to UNAMI on 2 July 2011 and the Mission returned to the Government the land previously allocated for the building of a compound.

23. Accordingly, the present report seeks approval to appropriate the amount of $579,000 from the approved commitment authority of $5.0 million, under section 33 of the budget.

2. Development of the web-based follow-up system by the Joint Inspection Unit

Section 31. Jointly financed administrative activities ($71,300)

24. In its resolution 62/246, the General Assembly requested the Joint Inspection Unit to study the feasibility of using a web-based system to monitor the status of recommendations and receive updates from individual organizations. Subsequently, in its resolution 64/262, the Assembly invited the Unit to report to it on progress made in that regard and also requested the Secretary-General to report to it in the context of the proposed programme budget for the biennium 2012-2013 on any related resource implications and funding options.

25. In 2011, the Joint Inspection Unit reported on progress made towards the establishment of the web-based follow-up system (A/65/34, paras. 72-78), confirming that such a system could overcome the many limitations of and be an improvement on the current system. The cost of the development and implementation of the system would amount to $302,000, exclusive of related training of end-users, maintenance, support and website hosting fees. The Unit stated that, while it was ready to initiate the development and implementation of the system, without additional resources committed during the biennium 2010-2011, it could not enter into any commitment with the selected vendor and deliver on the system by the end of 2011, as promised in its strategic plan.

26. In its resolution 65/270, the General Assembly welcomed the efforts made by the Joint Inspection Unit to advance the development and implementation of the web-based follow-up system and authorized the Secretary-General to enter into commitments in the amount of $71,300 for the biennium 2010-2011 for its development. The Unit has received $95,700 for the development costs of the system incurred in the biennium 2010-2011 from voluntary contributions by Member States to supplement the commitment authority.

27. Accordingly, the present report seeks approval to appropriate the amount of $71,300 already approved as a commitment authority.

3. Subvention to the Special Court for Sierra Leone

Section 3. Political affairs ($8,525,800)

28. In its resolution 65/259, the General Assembly authorized the Secretary-General, as an exceptional measure, to enter into commitments in an amount not to exceed $9,882,594 to supplement the voluntary financial resources of the Special Court for Sierra Leone for the period from 1 January to 31 December 2011 and requested the Secretary-General to report to it at its sixty-sixth session on the implementation of that resolution. The Secretary-General has submitted a comprehensive report to the Assembly on the request for a subvention to the Special Court for Sierra Leone (A/66/563).

29. During the period, the Special Court engaged in fund-raising and secured $4.8 million for its activities. However, as a result of the unforeseen circumstances, including a delay of two and a half months in the late presentation of the defence's closing arguments and the addition of two unforeseen contempt cases, and the resultant shift in the time frame for the completion strategy, the revised financial requirements of the Special Court for 2011 increased to $16.0 million. Based on the cash on hand ($2.7 million) and voluntary contributions received ($4.8 million), the sum of $8.5 million is needed from the approved commitment authority to meet the cash requirements of the Special Court for 2011.

30. Accordingly, the present report seeks approval to appropriate the amount of $8,525,800 from the approved commitment authority of $9,882,594, under section 3 of the budget.

4. Enterprise resource planning project

Section 28A. Office of the Under-Secretary-General for Management
(No appropriation sought)

31. It is recalled that by its resolution 60/283 (sect. II, para. 4), the General Assembly decided that the Integrated Management Information System (IMIS) would be replaced with a next-generation enterprise resource planning system or other comparable system, as the IMIS system was fast approaching the end of its useful life and the costs of maintenance and ongoing support for it no longer matched the benefits expected from it by staff and managers.

32. By its resolution 64/243, the General Assembly, inter alia, approved an amount of $24,192,200 for the enterprise resource planning system, to be named Umoja, to be funded from the regular budget for the biennium 2010-2011, including an appropriation of $11,775,900 under section 28A, and authorized the Secretary-General to enter into commitments for the remaining amount of $12,416,300. Subsequently, by its resolution 65/259, based on the proposal of the Secretary-General contained in paragraph 18 of the first performance report for the biennium (A/65/589), the Assembly did not appropriate the remaining amount of $12,416,300.

33. The Secretary-General's third progress report on the implementation of the enterprise resource planning project (A/66/381) is currently before the General Assembly. As reflected in paragraph 68 of that report, based on the latest expenditure status, and given the pace of project implementation, the commitment authority will not be utilized during the 2010-2011 biennium. Instead, it is proposed

that requirements be phased over future bienniums, as set out in paragraphs 85 (b) and (c) of the report.

5. Relocation of the Economic Commission for Latin America and the Caribbean subregional headquarters in Mexico City

Section 20. Economic and social development in Latin America and the Caribbean ($1,758,800)

34. In its resolution 65/259, the General Assembly authorized the Secretary-General to enter into commitments in an amount up to $1,758,800 under section 20, Economic and social development in Latin America and the Caribbean, for the biennium 2010-2011 to accommodate the relocation of the subregional headquarters of the Economic Commission for Latin America and the Caribbean (ECLAC) in Mexico City to a secure location, and requested the Secretary-General to provide, in the context of the second performance report for the biennium 2010-2011, information on the actual expenditure incurred as part of the relocation project.

35. Up to the present time, total expenditures of $1,644,600 have been incurred against the authorized amount of $1,758,800 to address the ongoing construction and project management requirements for: the relocation, including for travel of staff to inspect and ensure compliance with regard to facilities, information technology, security and procurement activities; contractual services to cover moving costs and fees of consultants with technical expertise to oversee and manage the project; the procurement of furniture and equipment; and construction, alteration and management costs.

36. The remaining balance ($114,200) is scheduled to be fully utilized during the remainder of the biennium 2010-2011 to address ongoing construction and project management requirements of the project. Accordingly, the present report seeks approval to appropriate the full amount of the commitment authority of $1,758,800 under section 20 of the budget.

6. Limited discretion for budgetary implementation authorized in General Assembly resolutions 60/283, 64/243 and 64/260

Section 1. Overall policymaking, direction and coordination (increase $2,038,200)
Section 3. Political affairs (decrease $1,019,100)
Section 5. Peacekeeping operations (decrease $1,345,500)
Section 8. Legal affairs (increase $577,200)
Section 17. Economic and social development in Africa (decrease $3,585,100)
Section 21. Economic and social development in Western Asia (decrease $968,900)
Section 28C. Office of Human Resources Management (increase $518,900)
Section 28D. Office of Central Support Services (increase $249,400)
Section 33. Construction, alteration, improvement and major maintenance (increase $5,522,900)
Section 34. Safety and security (decrease $1,988,000)

37. Under the provisions of General Assembly resolution 60/283, as extended in Assembly resolutions 64/243 and 64/260, the Secretary-General is authorized, on an experimental basis, to enter into commitments of up to $20 million in the biennium 2010-2011 for positions and for non-post requirements for the purpose of meeting the evolving needs of the Organization in attaining its mandated programmes and

activities. Amounts in excess of $6 million per biennium require the prior approval of the Advisory Committee, pursuant to the provisions of section III, paragraph 8 (g), of resolution 60/283.

38. In its resolution 64/260, the General Assembly requested the Secretary-General to submit a comprehensive report to the Assembly at its sixty-sixth session fully addressing its request contained in section III, paragraphs 10 (a) to (d), of its resolution 60/283. The Secretary-General has submitted a comprehensive report on a implementation of a limited discretionary authority mechanism (A/66/570) to the Assembly for consideration at its sixty-sixth session, in which he proposes the establishment of the mechanism with some modifications.

39. During the biennium 2010-2011, and as detailed in the first performance report (A/65/589, paras. 39 to 52), such authority was utilized in 2010 to address: (a) the extension of appointments of the ad litem judges for the United Nations Dispute Tribunal and their support staff for the period from 1 July 2010 to 30 June 2011 in order to clear the existing backlog of cases from the former system of administration of justice ($2,038,200), pursuant to the decision of the General Assembly (64/553); (b) strengthening of the Administrative Law Section of the Office of Human Resources Management ($518,900) for the period from 1 July 2010 to 30 June 2011 in order to address the backlog of cases referred to it from the United Nations Administrative Tribunal; (c) strengthening of the Office of Legal Affairs ($826,600) for the period from July to December 2010 as a result of the increased workload related to the new system of administration of justice; and (d) the reconstruction and renovation of ECLAC in Santiago, following the earthquake in February 2010 ($5,522,900).

40. The requirements were met through the utilization of potential underexpenditures identified under: section 3, Political affairs; section 5, Peacekeeping operations; section 17, Economic and social development in Africa; section 21, Economic and social development in Western Asia; and section 34, Safety and security.

41. No recourse was made to the discretionary facility in 2011. It will be recalled that, in his report on the administration of justice at the United Nations (A/65/373 and Corr.1), the Secretary-General requested that the General Assembly regularize the temporary capacity for the ad litem judges and their support staff that is currently available to the United Nations Dispute Tribunal and approve three new posts (1 P-4 and 2 P-3) in the Administrative Law Section of the Office of Human Resources Management and eight new posts (3 P-4, 3 P-3 and 2 General Service (OL)) in the Office of Legal Affairs.

42. In its report on the administration of justice at the United Nations (A/65/557), the Advisory Committee noted that 20 of the 27 posts being requested under the regular budget were funded under the limited budgetary discretion of the Secretary-General. Noting also that the requests for additional resources were being put forward in the middle of the budgetary cycle, the Advisory Committee recommended continuation of the temporary arrangements within the approved biennial programme budget while further experience was being gathered on the functioning of the new system of the administration of justice. The General Assembly, in its resolution 65/251, endorsed the report of the Advisory Committee. The requirements for the continuation of the temporary arrangements relating to the

administration of justice at the United Nations were absorbed within the revised appropriation for budget sections 1, 8 and 28C.

43. In respect of the requirements for the reconstruction and renovation of ECLAC headquarters in Santiago following the earthquake in February 2010, it will be recalled that the Secretary-General identified budgetary requirements amounting to $7,807,000 to meet expenses related to the relocation from damaged buildings and to carry out the reconstruction and renovation work at the ECLAC compound. Of the total amount, $2,284,100 was absorbed within section 20, Economic and social development in Latin America and the Caribbean, and section 33, Construction, alteration, improvement and major maintenance, and $5,522,900 was utilized under the Secretary-General's limited budgetary discretion. The amount of $5,522,900 has been adjusted in 2011 to reflect the reimbursement of claims totalling $1,785,000 from the insurers. The damage claim review process remains ongoing and additional insurance payments to the United Nations are expected in the forthcoming bienniums.

44. Of the 15 major projects making up the ECLAC reconstruction plan, 13 have been successfully finalized. The Commission's top priority was the reconstruction of more than 4,000 square metres of office space equivalent to the implementation of a capital master plan to guarantee improved working conditions for staff. The refurbished office space was re-inaugurated in July 2011. After the completion of that phase, the Commission's focus has been on two outstanding pieces of construction work that are vital to ensuring the safety of the building's structural integrity and the well-being of all staff and visitors to the premises. The two projects include the construction of the dining room/cafeteria, which is still located in a temporary tent, and the demolition and reconstruction of a badly damaged conference room on the third floor, which presents a safety risk, specifically the risk of a serious collapse for staff working on the second floor. The last two remaining projects, which will be completed during 2012, represent the completion of this significant reconstruction work.

45. The related redeployment of amounts utilized to address the above-mentioned organizational needs under the limited budgetary discretion provisions is detailed, by section, in table 10.

Table 10

Summary of unforeseen and extraordinary expenses, decisions of policymaking organs and limited discretion of the Secretary-General

(Thousands of United States dollars)

			Decisions of policymaking organs				*Limited discretion of the Secretary-General*				
Budget sections		*Unforeseen and extraordinary expenses*	*Integrated headquarters facility for the United Nations Assistance Mission for Iraq, Baghdad*	*Development of the web-based follow-up system by the Joint Inspection Unit*	*Subvention to the Special Court for Sierra Leone*	*Relocation of ECLAC subregional headquarters in Mexico City*	*Strengthening of the Office of Legal Affairs*	*Dispute Tribunal*	*Strengthening of the Administrative Law Section*	*ECLAC reconstruction*[a]	*Total*
1.	Overall policymaking, direction and coordination	—	—	—	—	—	—	2 038.2	—	—	2 038.2
3.	Political affairs	12 920.0	—		8 525.8	—	—	(1 019.1)	—	—	20 426.7
5.	Peacekeeping operations	188.8	—	—	—	—	(826.6)	—	(518.9)	—	(1 156.7)
8.	Legal affairs	—	—	—	—	—	577.2	—	—	—	577.2
17.	Economic and social development in Africa	—	—	—	—	—	—	—	—	(3 585.1)	(3 585.1)
20.	Economic and social development in Latin America and the Caribbean	—	—	—	—	1 758.8	—	—	—	—	1 758.8
21.	Economic and social development in Western Asia	—	—	—	—	—	—	—	—	(968.9)	(968.9)
23.	Human rights	59.7	—	—	—	—	—	—	—	—	59.7
28C.	Office of Human Resources Management	—	—	—	—	—	—	—	518.9	—	518.9
28D.	Office of Central Support Services	—	—	—	—	—	249.4	—	—	—	249.4
31.	Jointly financed administrative activities	—	—	71.3	—	—	—	—	—	—	71.3
33.	Construction, alteration, improvement and major maintenance	—	579.0	—	—	—	—	—	—	5 522.9	6 101.9
34.	Safety and security	—	—	—	—	—	—	(1 019.1)	—	(968.9)	(1 988.0)
	Total	**13 168.5**	**579.0**	**71.3**	**8 525.8**	**1 758.8**	**—**	**—**	**—**	**—**	**24 103.4**

[a] Does not reflect insurance reimbursements of $1,785,000 that have been redistributed to the releasing sections, notably: section 17 ($475,600); section 21 ($968,900); and section 34 ($340,500).

D. Post incumbency and other changes (decrease: $90.5 million)

46. Schedule 2 of the present report provides details of post incumbency and other changes by object of expenditure. Included under this heading are: (a) the difference between realized vacancy rates and those assumed in the revised appropriations; (b) differences between actual average salary and common staff costs compared with the standards included in the revised appropriations; and (c) adjustments to objects of expenditure other than posts based on actual and anticipated requirements to the end of the biennium.

47. Total changes under this heading amount to a net decrease of $90.5 million, resulting from reduced requirements of $11.2 million for post-related objects of expenditure and $79.3 million for non-post objects of expenditure.

Posts

48. The net decrease of $11.2 million under posts relates broadly to decreased requirements under common staff costs ($45.5 million); partially offset by increased requirements under salaries ($34.3 million).

49. The decrease in common staff costs relates to the lower actual than budgeted common staff costs rates experienced across various duty stations in line with cumulative expenditure for the first 21 months of the biennium. The decrease is primarily related to lower actual common staff costs rate of 41.1 per cent in New York, compared to the approved rate of 45.2 per cent, which yields a reduction of some $28.6 million under common staff costs. Reduced requirements were also reported in Geneva ($5.5 million), Beirut ($2.1 million) and Bangkok ($1.5 million). Accordingly, the estimated balances under common staff costs reflect lower than anticipated requirements under staff allowances such as dependency, hardship and mobility allowances, education grant and evacuation travel.

50. The overall actual vacancy rates realized to date for posts in both the Professional and higher categories and the General Service and related categories have proved to be below the approved rates. Budgeted vacancy rates approved for continuing posts were 9.6 per cent and 4.0 per cent for Professional and General Service posts, respectively. The application of those rates to continuing posts, together with the rates applied to new posts (50 per cent for Professional posts and 35 per cent for General Service posts), results in effective budgeted rates of 10.3 per cent and 4.9 per cent for those categories, respectively. As shown in schedule 8, the average vacancy rates for staff in the Professional category were 8.1 per cent and 6.2 per cent for 2010 and 2011 respectively. For staff in the General Service category the average vacancy rates were 4.1 per cent and 4.7 per cent for 2010 and 2011, respectively. This trend has resulted in increased requirements of $34.3 million under salaries.

51. While the overall actual average vacancy rates have been below budgeted levels, a limited number of programmes have exceptionally high vacancy rates; for the most part these are small programmes with a low authorized post base in which a small number of vacancies generate a vacancy rate in excess of the budgeted level. For example, two vacant Professional posts out of an authorized number of 14 in section 10, Least developed countries, landlocked developing countries and small island developing States, would generate a vacancy rate of 16.6 per cent. Schedule 8

also includes vacancy information for the preceding biennium, in accordance with the recommendation of the Advisory Committee (A/60/597, para. 13).

52. In addition, the issue of vacancy rates above budgeted levels in a few larger sections of the programme budget continues to be addressed. The variation between the budgeted and realized vacancy rates for those sections is attributable to a number of factors, including but not limited to delays in recruitment, appointment and/or promotion; separations; and temporary placement of staff against posts at a higher level.

53. In the case of the Department of Peacekeeping Operations, the higher vacancy rate relates primarily to the posts in the Field Service and the General Service and related categories owing to the decision of the General Assembly not to approve the proposal to integrate and consolidate the logistic support services provided by the United Nations Truce Supervision Organization (UNTSO) to the Observer Group Lebanon and the Observer Group Golan with those of the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Disengagement Observer Force (UNDOF). This proposal included a total of 37 posts in the Field Service and General Service categories which were proposed for abolition in the biennium 2010-2011 (the proposal was presented to the Assembly at its sixty-fourth session in the context of the proposed programme budget for the biennium 2010-2011 (A/64/6 (Sect. 5) and Corr.1, para. 5.16). A number of posts had been kept vacant in view of the proposal made for integration. Since the proposal was not approved, the Mission is now looking into the nationalization of additional posts.

54. In the case of the Economic Commission for Africa, the proper and effective management of vacancies continues to engage management at the Commission. Various steps have been undertaken to reduce the number of vacancies, including several management meetings dedicated to monitoring the situation of vacancies, the reconstitution and expansion of the Central Review Committee and Central Review Panel, training of Programme Case Officers and members of the central review bodies and the establishment of a support group on human resources processes, which is chaired by the Executive Secretary of the Commission. In 2011, the selection process of 25 candidates in the Professional and higher category was finalized. At present, 42 candidates are in the recruitment process with 30 candidates scheduled to be on board by the end of December 2011.

55. With regard to changes in non-post objects of expenditure, as indicated in schedule 2, a net decrease of $79.2 million is anticipated, reflecting the effect of reduced requirements amounting to $105.5 million under non-staff compensation, consultants and experts, contractual services, general operating expenses, hospitality, supplies and materials, furniture and equipment, improvement of premises, grants and contributions and the "other" category; this is partly offset by increased requirements under other staff costs, travel of representatives and travel of staff amounting to $26.3 million.

Other staff costs

56. The net increase under other staff costs ($25.0 million) primarily reflects adjustments of $40.5 million under section 3, Political affairs, $1.8 million under section 34, Safety and security, $1.3 million under section 27, Public information, and $1.1 million under section 5, Peacekeeping operations, partly offset by decreased requirements of $12.8 million under section 2, General Assembly and

Economic and Social Council affairs and conference management, and $6.5 million under section 32, Special expenses, as follows:

(a) The adjustment of $40.5 million under section 3, Political affairs, relates primarily to additional requirements ($12.2 million) at the United Nations Assistance Mission in Afghanistan (UNAMA) and ($27.8 million) at UNAMI, which are broadly attributable to higher actual than budgeted incumbency rate factors for positions funded at the international and national levels. In the case of UNAMA the actual vacancy rates for positions funded at the international, national and local levels were 21 per cent, 24 per cent and 9 per cent, respectively, compared to budgeted rates of 32 per cent. The increased requirements also relate to changes in the assumption for common staff cost from a budgeted rate of 65 per cent to an actual rate of 86 per cent for international staff at UNAMA. With regard to UNAMI, for 2010 and 2011, the budgeted vacancy rate for positions funded at the international level were 35 per cent and 25 per cent, respectively; while the actual vacancy rates were 24 per cent and 16 per cent, respectively. For positions at the national level the budgeted vacancy rates for 2010 and 2011 were 25 per cent and 27 per cent compared to realized rates of 19 per cent and 22 per cent, respectively. Additional expenditures also relate to the cost of the harmonization of conditions of service which came into effect on 1 July 2011 and which increased common staff costs rates, primarily under post adjustment and the cost of installing staff members in new duty stations, partially offset by the discontinuation of the mission subsistence allowance, effective 1 July 2011. There also are increased expenditures for hazard pay as more staff members are installed in Iraq;

(b) Increased requirements ($1.8 million) under section 34, Safety and security, are primarily attributable to overtime and night differential to provide security for the peak period during the annual high-level segment of the General Assembly in September, as well as to meet overtime requirements as a result of the shift structure and frequency of meetings held at Geneva and Nairobi, and the heightened security measures required in Bangkok and Santiago ($6.7 million). Additional expenditures are partly offset by underexpenditures for general temporary assistance, primarily due to delays in the recruitment of replacement staff in offices away from Headquarters and the discontinuance of the activities of the Internal Affairs Unit, less than anticipated requirements for sick leave and peak periods ($4.7 million) and decreased requirements for the Organization's share in the cost of malicious acts insurance to provide coverage for United Nations personnel ($0.2 million);

(c) The increase under section 27, Public information, relates to additional expenses under general temporary assistance for the Department of Public Information at Headquarters and at the United Nations information centre in Geneva ($1.3 million), broadly reflecting increased requirements for the provision of: (i) press coverage, editorial, television, photo, audio-visual, library and dissemination services to cover meetings of the General Assembly and the Security Council and press briefings during periods of peak workload that could not be supported within existing capacity; (ii) press coverage in English and French to cover various conferences, including meetings on disarmament, the increased number of meetings of the Human Rights Council and special sessions; and (iii) other meetings of the Committee on Migrant Workers, the Committee on the Rights of the Child, the Committee against Torture and the Committee on Economic, Social and Cultural Rights;

(d) Additional requirements of $1.1 million under section 5, Department of Peacekeeping Operations, are broadly attributable to increased mission subsistence allowance rates for 153 military observers throughout the UNTSO mission area, which came into effect after the 2010-2011 estimates were compiled. A portion of the increase ($0.2 million) is also attributable to an increase in hazardous duty allowance and military observer mission subsistence allowance at UNMOGIP;

(e) The net reduction of $12.8 million under section 2, General Assembly and Economic and Social Council affairs and conference management, primarily relates to decreased requirements under temporary assistance for meetings in New York and for conference management in Geneva. The decrease is due to more efficient utilization of temporary assistance for meetings through the streamlining of the documentation flow, the enforcement of page limits, the consolidation of reports, enhanced meetings planning and coordination and cost savings achieved through the reduction in international recruitment of temporary assistance for meetings and the increased use of contractual translation, which is a more cost-effective mode of translation. A portion of the decrease also relates to underexpenditures for overtime arising from a reduction in shift work in the Publishing Section at Headquarters, and better planning and cooperation from submitting departments in observing the rules governing documentation processing;

(f) The net reduction of $6.5 million under section 32, Special expenses, mainly reflects decreased requirements under after-service health insurance as a whole at Headquarters ($4.1 million) as a result of the premium holidays granted in 2010 for the Aetna health plan for two months ($3.9 million) and for the Cigna dental plan for one month ($0.2 million). Part of the decrease also relates to a lower average payment per retiree at Geneva combined with a lower than projected number of participants in the after-service health insurance programme. No method, other than premium holidays, was used for the distribution of surplus funds during the biennium 2010-2011;

(g) As at September 2011, the medical and dental reserve funds were valued as follows:

Aetna:	$79,200,000
Cigna dental:	$11,240,000
Blue Cross Blue Shield:	$11,000,000
Van Breda:	$57,780,000
Medical insurance plan:	$70,720,000

Non-staff compensation

57. The net increase of $0.3 million under non-staff compensation is primarily attributable to increased requirements under section 1, Overall policymaking, direction and coordination ($0.6 million), offset in part by reduced requirements under section 7, International Court of Justice ($0.9 million).

58. The increase under section 1 mainly relates to the extension of the ad litem judges under the Office of Administration of Justice for the period from July through December 2011. As reflected under section II.C of the present report, although the Secretary-General had requested the General Assembly to regularize

the temporary capacity for the ad litem judges (see A/65/373 and Corr.1, paras. 26 and 27), the Assembly, in its resolution 65/251, did not approve that request, but endorsed the recommendations of the Advisory Committee (A/65/557, para. 24) to continue the temporary arrangements within the approved biennial programme budget. The increase is partially offset by reduced requirements for ad hoc judges under section 7 as a result of the reduced number of workdays needed by the judges to complete the caseload, which had a lesser degree of complexity compared to the biennium 2008-2009.

Consultants and experts

59. The net decrease for consultants and experts ($4.8 million) is the result of reductions in the use of outside expertise for work under a number of sections, including $2.6 million under section 3, Political affairs, primarily reflecting lower than budgeted requirements in the use of outside expertise for special political missions, particularly for the Panel of Experts on the Democratic People's Republic of Korea, United Nations support to the Cameroon-Nigeria Mixed Commission and the Panel of Experts on Liberia, taking into account decreased requirements in related fees, travel and periods of engagement across all missions; $0.8 million under section 9, Economic and social affairs, resulting from actual costs under these objects of expenditure being lower than anticipated; and $0.6 million under section 17, Economic and social development in Africa, as a result of the shorter duration of and reduced attendance at expert group meetings, in part relating to required changes in the scheduling of meetings.

Travel of representatives

60. The increased requirements of $0.8 million under travel of representatives is primarily attributable to increased requirements under section 1, Overall policymaking, direction and coordination ($0.5 million), and section 23, Human rights ($1.0 million), offset in part by reduced requirements under section 9, Economic and social affairs ($0.7 million).

61. The increases under section 1, Overall policymaking, direction and coordination, and section 23, Human rights, mainly relate to the higher number of representatives from least developed countries participating in the sessions of the General Assembly, and the higher number of representatives and members of policymaking organs attending the sessions/meetings on human rights, including: the Human Rights Council and its Advisory Committee; the Human Rights Committee; the Committee on Economic, Social and Cultural Rights; the Committee on the Rights of the Child; the Committee on the Prevention of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; the Committee on Elimination of Racial Discrimination; the Committee on the Protection of the Rights of All Migrant Workers; the Committee on the Elimination of Discrimination against Women; and the Committee on Enforced Disappearances.

62. The increased requirements are partially offset by reduced requirements of $0.7 million under section 9, Economic and social affairs, mainly due to the lower number of representatives, experts or members of commissions or committees, including high-level panellists, whose travel requirements were less than planned as a result of scheduling conflicts.

Travel of staff

63. Requirements for travel of staff reflect a net increase of $5.5 million across budget sections related to unanticipated travel to attend meetings, forums and workshops, the servicing of committees and commissions and the provision of technical assistance and advisory services in the regional commissions, which are, primarily, as follows:

(a) Additional requirements of $0.3 million under section 2, General Assembly and Economic and Social Council affairs and conference management, are mainly due to the organization of meetings and conferences held away from Headquarters, including attendance at the annual International Annual Meeting on Computer-Assisted Translation and Terminology (JIAMCATT), the International Annual Meeting on Language Arrangements, Documentation and Publications (IAMLADP) and the coordination meetings of the Department for the continuing development of the several global projects on information technology (IT), including: "gData", "gMeets", "gDoc" and "gText". In addition, the Department has agreed to a limited number of job-swaps with other organizations, including the European Union, in order to motivate staff and to share best practices, as well as an efficient way to meet peak workload requirements. Under such arrangements, United Nations staff would assist other organizations during their busy periods at the expense of the United Nations, including travel costs, while the receiving parties would agree to send qualified staff to the United Nations for a similar term, at their expense, during busy periods for the Organization;

(b) Additional requirements of $1.1 million under section 9, Economic and social affairs, relate mainly to participation in the coordination and implementation of joint activities within the United Nations system and meetings with intergovernmental bodies and academic and professional institutions on issues such as the climate change, international financing for development, the impact of the global financial crisis and statistical indicators. Travel requirements also relate to bilateral and regional preparations for the United Nations Conference on Sustainable Development, as well as participation of senior staff members in high-level discussions on green economy, climate change and institutional frameworks for sustainable development. The presence of the Office of the Under-Secretary-General of the Department of Economic and Social Affairs at global conferences such as the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Cancun, Mexico, in 2010 and the seventeenth session in Durban, South Africa, in 2011 reflect the importance given to ensuring that these issues are captured at the Conference on Sustainable Development in June 2012. The Under-Secretary-General also uses such opportunities to engage his high-level counterparts in bilateral discussions to garner support for the outcome of the conference. In addition, on occasion the Office of the Under-Secretary-General is requested to provide substantive support to the Secretary-General at international meetings where global economic and social issues are on the agenda, including at meetings of the Group of 20;

(c) Additional requirements of $1.7 million under section 23, Human rights, reflects travel related to: (i) the provision of support to meetings of the Human Rights Committee, the Subcommittee on Prevention of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Committee on the Elimination of Discrimination against Women, and the Committee on the Rights of Persons with

Disabilities; and (ii) the provision of support to new and extended activities of commissions of inquiry and fact-finding missions resulting from the decisions of the Human Rights Council at its sixteenth, seventeenth and eighteenth sessions in 2011, especially the mandates of the Council relating to subprogramme 3, Advisory services, technical cooperation and field activities, and subprogramme 4, Supporting the Human Rights Council, its subsidiary bodies and mechanisms, including urgent unforeseen requirements for independent commissions of inquiry and fact-finding missions to Egypt, Libya, the Syrian Arab Republic, Tunisia and Gaza;

(d) Additional requirements of $0.3 million under section 27, Public information, reflect travel undertaken by staff of the Office of the Spokesperson for the Secretary-General and offices of the Department of Public Information to accompany the Secretary-General on his official trips, as well as to cover the travel of the Under-Secretary-General and other senior staff attending official meetings, including meetings related to climate change and the Framework Convention, the Second and Third Global Model United Nations Conferences, the sixty-third and sixty-fourth annual Conference of the Department of Public Information for Non-Governmental Organizations, held in Australia and Germany, the international media seminar on peace in the Middle East and the United Nations inter-agency meeting on the safety of journalists and the issue of impunity. An amount of $10,000 will also be incurred to cover the Department's share of the costs relating to the permanent memorial and remembrance of the victims of slavery and the transatlantic slave trade;

(e) Additional requirements of $0.3 million under section 29, Office of Information and Communications Technology, reflect travel undertaken by staff to attend conferences with: (i) the Inter-agency Telecommunications Advisory Group, which coordinates inter-agency network matters; (ii) the ad hoc Working Group on Emergency Telecommunications, which is responsible for coordinating the efforts of inter-agency and governmental bodies and non-governmental organizations in preparing for emergencies, for example the tsunami that hit Japan in March 2011; (iii) the Information and Communications Technology Network, which is an inter-agency group, composed of staff of the Office of Information and Communications Technology, which coordinates information and communications technology (ICT)-related matters (the Chair of the Inter-agency Telecommunications Advisory Group prepares a progress report to this body for information and, sometimes, for ratification of a proposal; (iv) the Management Committee of the International Computing Centre; and (v) travel related to the implementation of project 3 (on rationalization of the organization of ICT), approved by the General Assembly in its resolution 65/259;

(f) Additional requirements of $1.8 million under section 34, Safety and security, reflect unanticipated travel undertaken by the New York and Geneva security services in connection with close protection detail of the Secretary-General, the Deputy Secretary-General and the President of the General Assembly;

(g) Increases in the daily subsistence allowance rates for official travel have also contributed to the increased requirements noted above. Table 11 provides a comparison of the rate for the first month of the biennium (January 2010) and the latest month of November 2011, as determined by the International Civil Service Commission (ICSC).

Table 11
Increase in daily subsistence allowances at the main duty stations
(In United States dollars)

	Rate for the first 30 days		
	Jan. 2010	*Nov. 2011*	*Increase (Percentage)*
Vienna	226	320	41.6
Santiago	230	237	3.0
UNMOGIP	150	169	12.7
Beirut	325	376	15.7
Gaza	299	321	7.2
Nairobi	256	300	17.2
Bangkok	217	247	13.8
Geneva	372	451	21.2

Contractual services

64. The reduced requirements of $21.4 million under contractual services generally relate to lower requirements under section 2, General Assembly and Economic and Social Council affairs and conference management ($1.0 million), section 3, Political affairs ($17.4 million), section 17, Economic and social development in Africa ($0.6 million), section 28C, Office of Human Resources Management ($1.1 million), section 29, Office of Information and Communications Technology ($2.0 million), and section 34, Safety and security ($0.7 million). The reduction is partly offset by increased requirements under section 27, Public information ($1.4 million). The adjustments are mainly as follows:

(a) Reduced requirements under section 2, General Assembly and Economic and Social Council affairs and conference management ($1.0 million), are broadly related to reduced requirements for data processing owing to the development of gDoc United Nations staff (as opposed to engaging the services of outside consultants). Further reductions also take into account updated expenditure projections for November and December 2011;

(b) The decrease of $17.4 million under section 3, Political affairs, relates mainly to reduced requirements for special political missions, particularly under: (i) UNAMI due to the lower than budgeted cost for support as a result of the lower number of international staff members deployed to Iraq: while the authorized monthly ceiling for Iraq was 222, the actual number of staff deployed to Iraq was much lower, with the majority of staff stationed in Kuwait and Amman — lower requirements under data processing and other miscellaneous services were due to the delayed establishment of the Basra and Kirkuk compounds; and (ii) UNAMA as a result of the delayed implementation of budgeted public information activities;

(c) The decrease of $0.6 million under section 17, Economic and social development in Africa, mainly relates to reduced requirements for full and part-time language teachers, owing to the delayed commencement of the Spanish language courses, and reduced requirements for the promotion and servicing of meetings and events held at premises outside the Economic Commission for Africa;

(d) Reduced requirements under section 28C, Office of Human Resources Management ($1.1 million), primarily reflect lower requirements for full-time language teachers and reduced requirements for procurement and contract management workshops that were replaced with the introduction of an online procurement training module in early 2010;

(e) Reduced requirements under section 29, Office of Information and Communications Technology ($2.0 million), result from a decrease in the acquisition of additional software and licences, in line with the new ICT strategy, which aims to make better use of existing applications and/or software and to develop existing enterprise frameworks more systematically;

(f) The decrease of $0.7 million under section 34, Safety and security, mainly relates to reduced requirements for training activities and support for central data-processing services;

(g) The above decreases are partly offset by increased requirements of $1.4 million under section 27, Public information, primarily under contractual engineering, owing to the delay in the implementation of the media asset management system and the permanent broadcast facility, which would automate many operations and streamline workflows, creating savings for the Department. As the Secretary-General stated in his report on proposals for financing the associated costs for 2011 from within the approved budget for the capital master plan (A/65/511/Add.1), both systems were to be operational in July 2011, however, due to delays in the contracts, the systems are expected to be implemented during the 2012-2013 biennium.

General operating expenses

65. Requirements under general operating expenses reflect a net decrease of $35.1 million. The net decrease relates mainly to a decrease in requirements of $28.8 million under section 3, Political affairs, owing to a delayed arrival of aircraft budgeted for UNAMI. Two fixed-wing and four rotary-wing aircraft were originally budgeted for the biennium 2010-2011, but only one fixed-wing and two rotary-wing aircraft were delivered to the Mission because of difficulty in contracting a suitable vendor. Under section 28D, Office of Central Support Services, reduced requirements relate to lower than originally estimated net expenditures in respect of mail and pouch services ($2.5 million). A portion of the decrease relates to reduced requirements of $1.2 million under section 28G, Administration, Nairobi, resulting from updated expenditure projections for November and December 2011.

Hospitality

66. The net reduction of $0.2 million relates broadly to lower requirements under section 1, Overall policymaking, direction and coordination, owing to the lower number of official functions held by the President of the General Assembly.

Supplies and materials

67. With regard to supplies and materials, the net decrease of $5.4 million reflects adjustments in a number of sections. Under section 2, General Assembly and Economic and Social Council affairs and conference management, reduced requirements ($2.8 million) reflect benefits from investments in technology, in

particular: the move towards a fully digital, print-on-demand publishing operation; the concerted effort to reduce the paper output of reports, that is, to introduce "paper-smart" policies; the enforcement of page limits in the context of streamlining conference services; and increased use of off-site short-term contractors, which resulted in reduced costs, inter alia, for printing and office supplies. Under section 12, Trade and development, reduced requirements of $0.6 million reflect lower consumption of office-related supplies, in particular paper for photocopying and internal printing, as a result of the widespread electronic dissemination of information, as well as containment of subscription requirements via expanded use of cost-sharing access arrangements with other United Nations departments and agencies in Geneva. Under section 17, Economic and social development in Africa, reduced requirements of $1.1 million reflect lower costs for data processing, reproduction, stationery and office supplies and central support and information technology services as a result of the delayed recruitment of staff against vacant posts. Under section 20, Economic and social development in Latin America and the Caribbean, reduced requirements of $0.4 million reflect a concerted effort by ECLAC departments to economize on supplies and materials in the months following the 27 February 2010 earthquake, as well as the Commission's improved publication processes, which incorporate modern technologies and more effective sourcing solutions. Other net reductions in requirements for supplies and materials amount to $0.4 million across 27 budget sections.

Furniture and equipment

68. The net decrease of $13.4 million for furniture and equipment is mainly the result of reduced requirements under: section 2, General Assembly and Economic and Social Council affairs and conference management ($1.8 million); section 3, Department of Political Affairs ($10.9 million); section 17, Economic Commission for Africa ($0.8 million); and section 34, Safety and security ($0.7 million), partially offset by increased requirements under section 5, Peacekeeping operations ($1.1 million). The adjustments are mainly as follows:

(a) Decreased requirements of $1.8 million under section 2, General Assembly and Economic and Social Council affairs and conference management, primarily resulting from the replacement of fewer items of electronic data processing equipment during the 2010-2011 biennium as new equipment was purchased at the time of the Department's move to the swing space in the Albano Building in the prior biennium, and the increased use of off-site short-term contractors, which resulted in reduced costs, inter alia, for furniture and electronic data processing equipment. In addition, reduced requirements stem from the extension of the replacement cycle for certain types of IT equipment by one year in order to minimize expenditures;

(b) Decreased requirements of $10.9 million under section 3, Political affairs, relate primarily to special political missions and reflect reduced acquisitions for security and safety equipment, communications equipment, generators and medical equipment at UNAMA and the United Nations Peacebuilding Support Office in Guinea-Bissau due to the receipt of surplus equipment from various missions, including the United Nations Mission in Nepal (UNMIN) and the United Nations Mission in the Central African Republic and Chad (MINURCAT); the non-acquisition of vehicles and electronic data processing equipment at UNAMI as a result of the delayed establishment of the Kirkuk and Basra offices; reduced

requirements for air operations equipment because of the delayed deployment of aircraft to the United Nations Peacebuilding Support Office in the Central African Republic; and the extension of the useful life of existing equipment from the United Nations Integrated Office in Sierra Leone (UNIOSIL);

(c) Decreased requirements of $0.8 million under section 17, Economic and social development in Africa, are mainly due to reduced purchase and replacement of office furniture and equipment and office automation equipment undertaken as a result of the delayed recruitment of staff;

(d) Decreased requirements of $0.7 million under section 34, Safety and security, reflect lower expenditures for office furniture and equipment in some duty stations resulting from the reprioritization of funds for other purposes because of prevailing security conditions;

(e) Increased requirements of $1.1 million under section 5, Peacekeeping operations, primarily reflect the need to replace more office automation and communications equipment, which had become obsolete.

Improvement of premises

69. The net decrease of $2.7 million under improvement of premises reflects reduced requirements under section 3, Political affairs ($1.5 million), section 5, Peacekeeping operations ($0.8 million), and section 33, Construction, alteration, improvement and major maintenance ($5.8 million), offset in part by increased requirements under section 2, General Assembly and Economic and Social Council affairs and conference management ($4.8 million), and section 27, Public information ($0.7 million). The adjustments are as follows:

(a) The decrease of $1.5 million under section 3, Political affairs, relates primarily to: the delayed expansion of the Basra and Kirkuk offices; the fact that the office complex and other accommodations at UNAMI were not constructed; and lower than budgeted costs for alteration and renovation projects at the United Nations Peacebuilding Support Offices in Guinea-Bissau and the Central African Republic. Reduced requirements for UNAMI reflect the fact that the construction of new compounds at the Kirkuk and Basra offices were originally planned to begin in June of 2011, but an agreement has been reached to utilize the existing compounds of departing multinational forces in each location, thus reducing anticipated expenditures. The planned new construction was budgeted to commence in June 2011 but in fact the renovation of the existing compound in Kirkuk began in October and in Basra it is expected to commence by the end of 2011;

(b) The decrease of $0.8 million under section 5, Peacekeeping operations, mainly relates to reduced requirements under UNMOGIP based on the anticipated level of expenditure;

(c) The decrease of $5.8 million under section 33, Construction, alteration, improvement and major maintenance, mainly relates to decreases for: (i) alterations, improvements and major maintenance at Headquarters; (ii) reduced requirements for the implementation of physical security systems built by the Facilities Management Service at the swing space buildings and new annex buildings being used during the capital master plan project; and (iii) updated expenditure projections for November and December 2011;

(d) The increase of $4.8 million under section 2, General Assembly and Economic and Social Council affairs and conference management, arises from the exceptional one-time requirement to provide power and data connectivity for the "adviser chairs" in various rooms in the Conference and General Assembly Buildings. This work is part of the logical progression of the Department's efforts to reduce requirements for printed materials for meetings and to advance conference management towards a "paper-smart" format. While the Department continues to reduce the volume of printed materials provided for meetings and conferences, it is conscious of its obligation to ensure that Member States are provided with a reliable flow of electronic information. Consequently, in order not to be entirely reliant on wireless services, enhanced wiring for both data and connectivity needs to be enhanced. The renovation work in the General Assembly and Secretariat Buildings being carried out under the capital master plan provides an excellent opportunity to enhance such connectivity by installing new wiring as part of the updated infrastructure. Although this was not part of the scope of the original capital master plan, the Office of the Capital Master Plan has agreed to the installation of the wiring;

(e) The increase under section 27, Public information, represents the additional cost of building enclosed offices, including the installation of wiring and air conditioning, in order to provide privacy for the resident media team. Privacy is a critical requirement for the team, which is responsible for the production and dissemination of multimedia content in various languages. While under the capital master plan the Secretariat will evolve into a modern, up-to-date and cost-efficient space, much of it will be designed to provide "open-plan" working areas which will not be functional for the resident media team since various external parties need to maintain privacy and confidentiality. Although this is not part of the scope of the original capital master plan, the Office of the Capital Master Plan has agreed to the installation of enclosed offices ($0.7 million).

Grants and contributions

70. The net decrease of $14.4 million under grants and contributions broadly relates to:

(a) Section 24, International protection, durable solutions and assistance to refugees, as a result of updated expenditure projections for November and December 2011 ($7.5 million);

(b) Section 22, Regular programme of technical cooperation, as a result of reduced requirements under general temporary assistance resulting from the new policy on the use of interregional and regional advisers in the execution of the projects, which sometimes involve prolonged vacancies because of the need to follow a recruitment process similar to that for established posts and the occasional lack of suitable candidates. In accordance with this policy, each adviser's contract is capped at 5 years and, should such services continue to be necessary, the position, which is financed under general temporary assistance, is re-advertised in order to attract the best qualified candidate. In addition, the implementing entities, which receive funding under the regular programme, have turned to new modalities to obtain advisory services, drawing on the skills of nationally and regionally recruited expertise and increasing the use of their regular staff in conducting advisory

missions and implementing training workshops, with the assistance of short-term national experts and consultants ($4.4 million);

(c) Section 31, Jointly financed administrative activities, as a result of reduced requirements at ICSC and the United Nations System Chief Executives Board for Coordination, reflecting: the combined effect of the decrease in their respective gross budgets as well as the decrease in costing-sharing ratios for the United Nations (39 per cent for ICSC and 31.2 per cent for the Chief Executives Board) that were used at the time of the preparation of the proposed programme budget for the biennium 2010-2011 and the cost-sharing ratios (33.4 per cent for ICSC and 28.5 per cent for the Board) approved by the Board for the biennium 2010-2011; and the nil requirements for the United Nations share of the cost of the jointly financed system-wide International Public Sector Accounting Standards (IPSAS) project as the gross budget could be fully covered by the balance rephrased from previous bienniums ($1.9 million);

(d) Section 9, Economic and social affairs, as a result of the cancellation of a service contract between the Department of Economic and Social Affairs and the International Computing Centre ($0.8 million).

71. The decrease is partially offset by increased requirements primarily under section 13, International Trade Centre (UNCTAD/WTO), as a result of an increase in the gross budget of the International Trade Centre ($1.6 million), and section 2, General Assembly and Economic and Social Council affairs and conference management, resulting from the increased provision for the United Nations share of the gross budget of conference management services in Vienna. The provisions reflect the resource requirements for conference management in Vienna, whereby the appropriation, under the United Nations programme budget, is made only for the United Nations share of those activities, less the amount reimbursable from non-United Nations clients. During the period, the actual amount reimbursed from non-United Nations clients was lower than projected, resulting in an increase in the percentage of the Organization's share of the gross budget from the budgeted rate of 80.0 per cent to 81.65 per cent. The increased provisions also reflect the increased gross budget expenditures ($66.2 million) for conference management in Vienna over its revised appropriation ($61.2 million) as a result of lower than budgeted vacancy rates, which thereby increased the United Nations portion of expenditures ($1.2 million).

Other

72. The net decrease of $12.2 million in the "other" category mainly reflects reduced requirements for staff assessment based on actual experience during the period.

73. Since the biennium 1998-1999, a uniform net-budgeting approach to the presentation of costs for activities not borne entirely by the United Nations but shared by the Organization and other entities has been applied. Accordingly, in the present report the net requirements for, or United Nations share of, the relevant activities under section 2, General Assembly and Economic and Social Council affairs and conference management, section 30, Jointly financed administrative activities, and section 33, Safety and security, are included in the discussion of the final overall level of the 2010-2011 programme budget above and are reflected accordingly in schedules 1 to 3 below for appropriation purposes.

74. At the same time, the final gross budget levels recommended for these activities will be as follows: ICSC ($17.0 million); Joint Inspection Unit ($14.2 million); secretariat of the United Nations System Chief Executives Board for Coordination ($5.1 million); International Public Sector Accounting Standards (IPSAS) project ($0.9 million); conference management in Vienna ($66.1 million) and security and safety services (($241.9 million) (including at the United Nations Office at Vienna ($30.1 million), the security management system in the field ($201.7 million) and the cost of the malicious acts insurance policy ($10.1 million)).

E. Unliquidated obligations

75. The amount of unliquidated obligations as at the end of October 2011 stood at $299.6 million.

III. Income sections

76. The total increase under income sections amounts to $8.3 million, which is broken down by section in table 12.

Table 12
Summary of changes under income sections
(Thousands of United States dollars)

Income section	*Approved estimates of income*	*Increase/ (decrease)*	*Revised estimates of income*
1. Income from staff assessment	555 041.0	(5 617.4)	549 423.6
2. General income	40 487.8	10 210.5	50 698.3
3. Services to the public	(2 557.0)	3 714.9	1 157.9
Total	**592 971.8**	**8 308.0**	**601 279.8**

Income section 1. Income from staff assessment

77. The decrease in staff assessment income of $5.6 million reflects a decrease in the level of staff assessment disbursed under the related expenditure section as well as lower staff assessment realized in respect of the expenditure portion of income section 3.

Income section 2. General income

78. The increase of $10.2 million under income section 2 comprises: (a) an increase of $4,631,200 in bank interest as a result of the purchase of higher yielding investments, which resulted in a higher than anticipated rate of return, and the undertaking of trading opportunities that increased interest income; (b) miscellaneous income ($1,491,200), the refund of prior-year expenditures ($1,835,900), reimbursement for services provided to the specialized agencies and others ($1,203,300) and the sale of used equipment ($1,027,000), mainly as the result of the inclusion of income recorded by several special political missions that was not reported within the revised estimates for the biennium 2010-2011 in the first

performance report; and (c) income from television and similar services ($19,900), contributions of non-Member States and new Member States ($1,300) and rental of premises ($700).

Income section 3. Services to the public

79. The increase in net revenue of $3,714,900 under income section 3, Services to the public, is the result of a net decrease in total revenues ($1,605,000), which was more than fully offset by a net decrease in total expenditures ($5,319,900).

80. Decreases under revenues relate to (a) decreases under postal administration services ($2,645,300) principally as a result of the impact of the capital master plan project on sales at Headquarters; (b) decreases in revenue services provided by the Department of Economic and Social Affairs ($154,000), reflecting the decrease in statistical product subscription fees, including for the United Nations Commodity Trade Statistics Database, and industrial statistics databases; and (c) a comparatively small decrease in the revenues from the sale of United Nations publications ($24,100) at the Headquarters sales operation resulting from a change in the billing for certain services and goods and the transition to the use of an outsourced warehouse, which took longer than expected. These decreases were partly offset by higher than anticipated estimated revenue from (d) other commercial services ($460,000) reflecting increased utilization of the Conference Centre of the Economic and Social Commission for Asia and the Pacific, in particular by the secretariat of the United Nations Framework Convention on Climate Change, which was not originally anticipated in view of the political climate in the host country at the time estimates were projected; (e) the sale of gift items ($394,600) because delays in the schedule of the capital master plan meant that the impact on operations was less than originally envisaged; (f) services to visitors ($231,000), with higher than expected actual sales in Geneva and Vienna offsetting downturns at Headquarters as a result of the capital master plan; (g) garage operations ($107,400) which have been better than estimated; and (h) a comparatively small increase in catering operations ($25,000).

81. The far more significant net decrease in expenditures of $5,319,900 reflects decreases in all categories of revenue generating activities apart from garage operations (which increased by $96,800, which is still less than its increased revenue estimates). Decreases in expenditure can be summarized as follows: (a) decreases under postal administration services ($2,877,500) because of rationalization of the business operations and the implementation of cost-saving measures, which have yielded benefits (principally in staff costs and contractual services) both at Headquarters and at the offices in Europe; (b) decreases from the sale of United Nations publications ($1,669,600) resulting from the rationalization of promotion programmes at Headquarters and former such programmes in Geneva, income from the rental of exhibit space and the use of open-source or low-cost off-the-shelf software to upgrade existing systems, and the streamlining and continued consolidation of the operation at Headquarters, with a consequent reduction in general operating expenses (including freight costs); (c) decreases in catering operations ($422,000), principally reflecting reduced general operating expenses relating to reduced utilities requirements under the current contractual arrangements with the service provider and a comparatively smaller decrease for other commercial operations ($43,300) and programme support expenses ($61,400).

IV. Compensation arising from judgements of the Administrative Tribunals

82. In accordance with General Assembly resolution 52/220, included in the final estimates of the anticipated level of expenditure for the biennium 2010-2011 are expenditures (totalling $1,370,000) related to compensation paid to staff as a result of judgements of the United Nations Appeals Tribunal, the United Nations Dispute Tribunal and the decisions of the Management Evaluation Unit of the Department of Management.

V. Options for protecting the United Nations against fluctuations in exchange rate and inflation

Background

83. It will be recalled that the General Assembly, in paragraph 52 of its resolution 64/243 on questions relating to the proposed programme budget for the biennium 2010-2011, requested the Secretary-General, in the context of the first performance report, to report on options for protecting the United Nations against fluctuations in exchange rates and inflation, drawing on the experience of other organizations of the United Nations system, as set out in section V of the second performance report of the Secretary-General on the programme budget for the biennium 2008-2009 (A/64/545).

84. Accordingly, input was sought from 15 organizations of the Finance and Budget Network, including the Food and Agriculture Organization of the United Nations (FAO), the International Atomic Energy Agency (IAEA), the International Civil Aviation Organization (ICAO), the International Fund for Agricultural Development (IFAD), the International Labour Organization (ILO), the International Maritime Organization (IMO), the International Telecommunication Union (ITU), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO), the United Nations World Tourism Organization (UNWTO), the World Food Programme (WFP) and the World Intellectual Property Organization (WIPO). A questionnaire addressed to the heads of budget and finance of these organizations was sent in early July 2010 requesting information on the various mechanisms and tools they used to protect and mitigate the effects of fluctuations in exchange rates and inflation. Information was also requested on experience and lessons learned.

85. Of the 15 organizations surveyed, input was received from the following eight: FAO, IAEA, ICAO, ITU, UNESCO, UNFPA, UNWTO and WIPO. A compilation of their responses was presented to the General Assembly in the context of the first performance report on the programme budget for the biennium 2010-2011 (A/65/589, paras. 53 to 76).

86. At the time of consideration of the first performance report on the programme budget for the biennium 2010-2011, the Advisory Committee expressed its regret at the low response level from the entities concerned and their apparent reluctance to share their experiences. The Committee urged the Secretary-General to follow up

with the remaining organizations that had not responded in order to be able to draw from the experiences of as many entities as possible (A/65/604, para. 15).

87. The annex to the present report provides the compilation of responses received from the seven remaining organizations to which the questionnaire was sent, namely ILO, IMO, IFAD, UNICEF, UNIDO, WFP and UNAIDS.

88. It will also be recalled that, in the same report, the Secretary-General informed the General Assembly of his intention to undertake a review of the Organization's foreign exchange transactions in order to assess the currency exposure and, potentially, the required risk management of the Organization (A/65/589, para. 76). A study has been undertaken during 2011 to ascertain the impact of foreign currency moves on the programme budget using foreign exchange transactional data pertaining to the biennium 2008-2009. The findings of that review are presented below.

Findings of foreign exchange analysis

89. The United Nations Secretariat, in consultation with two global banks, undertook a study to ascertain the impact of foreign currency moves on the programme budget and on the feasibility of a hedging programme to reduce the currency risks. Foreign exchange transactional data relating to operations funded by the programme budget for the biennium 2008-2009 was compiled and reviewed. The objective of the analysis was to determine to what extent the United Nations can and/or should be hedging the foreign currency exposure of the programme budget.

Methodology: cash flow at risk

90. The analysis sought to determine the impact of currency fluctuations on the budget by evaluating actual currency expenditures incurred during a sample budget cycle. The banks employed value-at-risk models, which considered historical exchange rates and historical correlations between currency pairs. The result is a measure of currency risk called "cash flow at risk", which is an estimate, with a given confidence, of the impact of currency fluctuations on a budget during a normal cycle. It does not, however, account for the extreme events that can be experienced from time to time in currency markets. It is an estimate that attempts to quantify the risk to the budget due to currencies moves.

91. Based on the actual amount of currency transacted during the biennium 2008-2009, it is clear that, with respect to the programme budget, the Organization's currency exposure is concentrated in two currencies (Swiss franc and euros). These two currencies generated the most risk to the programme budget. There is a very active and liquid forward currency market for those currencies which will facilitate a hedging programme. A currency hedging programme concentrated only on those currencies that represent the most risk to the budget (Swiss franc and euros) was therefore recommended.

92. According to the analysis, the Swiss franc represented 50 per cent of the actual total currency exposure and generated 63 per cent of the total cash flow at risk. The euro represented 23 per cent of the actual total currency exposure and generated 26 per cent of the cash flow at risk. The results of either partially or fully hedging those currency exposures would reduce the risk profile for the programme budget and would reduce the amount recosted with respect to changes in currency rates. A

hedging programme would minimize the impact of currency moves on the budget and minimize the need to recost because of changes in currency rates but would still be needed for other currency exposures and certain other costs.

93. Furthermore, a relatively simple hedging programme, consisting of euro- and Swiss franc-forward currency contracts, would minimize the volatility derived from currency moves in the recosting process and methodology. The banks suggested employing forward contracts for euro and the Swiss franc that would represent 75 per cent of predictable expenditures for the first budget year and 50 per cent of predictable expenditures for the second budget year. It is estimated that this would reduce the recosting variability by approximately 56 per cent for the two-year budget cycle. It should be noted that these are estimates based on value-at-risk models and assume a 95 per cent confidence level.

Considerations

94. Based on the analysis performed, it is concluded that the recosting impact can be reduced by employing a relatively simple hedging programme. The objective of a currency hedging programme at the United Nations is to increase the certainty of the estimates contained in the programme budget for Member States and to minimize the impact of currency fluctuations on the recosting methodology.

95. It is important to note that a currency hedging programme will not replace the recosting methodology. The current recosting methodology captures many different elements of the budgeting process, including currency fluctuations, inflation and changes in budget expenditures. It is impossible to hedge all of these elements. Even within the currency element of the recosting methodology, there are aspects of the Organization's currency exposures that cannot be hedged. For instance, the United Nations purchases some currencies for which there is no active option or forward market. Those currency exposures cannot be hedged. In addition, a currency hedging strategy does not normally cover all expenses but rather attempts to fix certain predictable cash flows such as salaries and other predictable staff expenses. There is an element of uncertainty to any budget process and a currency hedging programme will not eliminate all those risks although it can reduce the variability of certain currency costs.

96. There are transaction costs associated with a hedging programme. With respect to transaction costs, there are several financial instruments and strategies that may be employed for hedging currency risk, and each instrument has a certain associated cost. The most common protection against currency moves are currency forward contracts (forwards) and currency options. A currency forward contract is an agreement to exchange currencies on a certain date in the future at a rate agreed upon today. There is no price discretion to a forward contract as the future exchange rate of currencies is a contractual obligation of each party to the agreement. Forward contracts are more useful for expenses for which there is a high certainty regarding the timing and occurrence of the expense. The forward rate is calculated based on the interest rate differential between the two currencies and at certain times, and there is a cost associated with forward contracts.

97. In the current market conditions, the cost of purchasing Swiss francs today is lower than the cost of purchasing Swiss francs for future delivery. Conversely, the cost of purchasing euros today is greater than the cost of purchasing euros for future

delivery. It should be noted that these rates change are subject to change daily and will fluctuate as interest rates change in the associated markets.

98. Another tool employed by hedging programmes is the use of currency options, which is the right, but not the obligation, to purchase a currency at a date in the future at a rate agreed upon today. Since it is an option and not an obligation, there is a cost associated with these types of transactions that is calculated based on the volatility of the currency. There would be an upfront cost to the United Nations for the purchase of such an option. An option can offer the Organization the choice of not converting the currency if the exchange rate in the market is better than the rate established in the contract or if the budgeted expense is not delayed or not needed. This flexibility has an explicit cost, the option premium, which is borne by the United Nations.

99. There are also administrative costs associated with a hedging programme. A robust hedging programme would need a robust risk management and accounting system, requiring resources that have yet to be determined.

100. Furthermore, there are opportunity costs associated with a hedging programme. It should be understood that a hidden cost emerges from the logic of a hedging programme given that, in protecting against unfavourable trends in the exchange rate of the United States dollar, the Organization would lose the flexibility to gain a profit from opposite trends. While, during the past two budget cycles (2008-2009 and 2010-2011), the United Nations has been obliged to do a significant amount of recosting as a result of currency moves and the continued weakening of the United States dollar, evidence shows that in previous periods the Organization gained from opposite trends. For example, net downward adjustments owing to the continued strengthening of the United States dollar amounted to $165.5 million and $142.3 million during the bienniums 1998-1999 and 2000-2001, respectively, and it is entirely possible that the financial markets may experience a United States dollar appreciation during any given cycle in the future. A hedging programme will eliminate any benefits from an appreciation in the value of the United States dollar.

101. Establishing a hedging programme will change how budget rates are established with respect to the recosting process. If a hedging programme is to be initiated, it will be necessary to reconsider certain aspects of the recosting proxy such as the methodology and the timing for establishing exchange rates. Exchange rates would have to be more rigidly defined. A hedging programme is time sensitive and would have to be initiated at the same time as the budget is approved and exchange rates are established.

102. A successful currency hedging programme is predicated on the ability to forecast currency exposures (inflows and outflows). It would be necessary for areas in the programme budget to provide forecasts and budget rates in order to initiate a hedging programme.

103. Should the General Assembly decide to use the option of hedging to mitigate the variability associated with currency volatility, it would be recommended that a relatively simple hedging strategy of forward contracts layered throughout the two-year budget cycle be employed. The main advantages of this type of structure are the low cost of implementation and the certainty of the outcomes (or budget impact) from the outset. Accordingly, a hedging programme can be initiated in the amount of 75 per cent of predictable expenses in euros and Swiss francs for locations that use

those currencies, mainly Geneva, Vienna and The Hague. A hedging programme that constitutes 100 per cent of the programme budget is not recommended as there is often a differential between forecast and actual expenses. As mentioned in paragraph 101 above, it is also necessary to establish the approved exchange rates for hedging as the current budget rates cannot be used for this purpose. The unhedged balance of the programme budget as well as adjustments for inflation and other standard parameters will continue to be recosted as per the current recosting methodology.

VI. Action requested of the General Assembly

104. **The General Assembly is requested to take note of the present report, including the section on options for protecting the United Nations against fluctuations in exchange rate and inflation. The Assembly is further requested to approve the revised estimates for expenditure sections for the biennium 2010-2011 as set out in paragraph 5 above and the related income estimates as set out in paragraph 76 above.**

Schedule 1

Summary of projected expenditures by budget section and main determining factor: 2010-2011

(Thousands of United States dollars)

			Projected changes						
Budget section		*Revised appropriation*	*Rate of exchange*	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	*Proposed final appropriation*	*Percentage variance*
1.	Overall policymaking, direction and coordination	101 770.3	797.8	556.1	2 038.2	2 888.4	6 280.5	108 050.8	6.2
2.	General Assembly and Economic and Social Council affairs and conference management	672 835.3	23 498.5	335.6	—	(7 424.9)	16 409.2	689 244.5	2.4
3.	Political affairs	1 313 276.7	557.7	521.3	20 426.7	(25 320.5)	(3 814.8)	1 309 461.9	(0.3)
4.	Disarmament	22 134.8	315.8	95.2	—	(17.6)	393.4	22 528.2	1.8
5.	Peacekeeping operations	112 903.8	1 438.5	477.0	(1 156.7)	(4 670.3)	(3 911.5)	108 992.3	(3.5)
6.	Peaceful uses of outer space	8 023.0	191.8	(4.8)	—	447.1	634.1	8 657.1	7.9
7.	International Court of Justice	46 605.8	890.0	305.9	—	(1 226.8)	(30.9)	46 574.9	(0.1)
8.	Legal affairs	45 396.5	162.8	215.9	577.2	23.0	978.9	46 375.4	2.2
9.	Economic and social affairs	159 110.9	—	808.5	—	(1 492.6)	(684.1)	158 426.8	(0.4)
10.	Least developed countries, landlocked developing countries and small island developing States	7 406.1	—	47.7	—	(169.5)	(121.8)	7 284.3	(1.6)
11.	United Nations support for the New Partnership for Africa's Development	12 641.0	(14.8)	84.6	—	(2 531.7)	(2 461.9)	10 179.1	(19.5)
12.	Trade and development	136 629.8	12 649.5	(1 266.9)	—	(541.7)	10 840.9	147 470.7	7.9
13.	International Trade Centre UNCTAD/WTO	31 793.3	2 931.5	(76.8)	—	1 609.5	4 464.2	36 257.5	14.0
14.	Environment	14 211.3	(292.0)	9.4	—	956.2	673.6	14 884.9	4.7
15.	Human settlements	20 564.7	(832.8)	71.7	—	2 462.1	1 701.0	22 265.7	8.3
16.	International drug control, crime and terrorism prevention and criminal justice	39 191.1	912.2	(4.7)	—	2 766.8	3 674.3	42 865.4	9.4
17.	Economic and social development in Africa	123 662.5	(679.6)	2 585.1	(3 109.5)	(10 102.6)	(11 306.6)	112 355.9	(9.1)
18.	Economic and social development in Asia and the Pacific	98 326.8	2 738.1	(93.1)	—	(324.6)	2 320.4	100 647.2	2.4
19.	Economic development in Europe	65 547.1	6 240.3	(510.3)	—	697.1	6 427.1	71 974.2	9.8

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation	Percentage variance
20. Economic and social development in Latin America and the Caribbean	110 129.9	3 251.3	(860.7)	1 758.8	3 842.4	7 991.8	118 121.7	7.3
21. Economic and social development in Western Asia	63 298.4	9.5	831.6	—	947.2	1 788.3	65 086.7	2.8
22. Regular programme of technical cooperation	52 246.2	837.9	912.3	—	(4 365.5)	(2 615.3)	49 630.9	(5.0)
23. Human rights	141 191.4	11 179.5	(1 033.3)	59.7	(2 121.5)	8 084.4	149 275.8	5.7
24. International protection, durable solutions and assistance to refugees	83 717.5	7 729.3	(274.9)	—	(7 472.5)	(18.1)	83 699.4	—
25. Palestine refugees	43 712.4	1 383.7	(173.0)	—	3 486.4	4 697.1	48 409.5	10.7
26. Humanitarian assistance	29 399.9	867.7	(7.7)	—	(763.2)	96.8	29 496.7	0.3
27. Public information	184 996.6	834.9	1 149.3	—	(1 737.4)	246.8	185 243.4	0.1
28A. Office of the Under-Secretary-General for Management	26 126.1	—	69.9	—	305.6	375.5	26 501.6	1.4
28B. Office of Programme Planning, Budget and Accounts	38 552.5	—	187.0	—	(1 440.3)	(1 253.3)	37 299.2	(3.3)
28C. Office of Human Resources Management	74 614.6	—	543.4	518.9	(840.6)	221.7	74 836.3	0.3
28D. Office of Central Support Services	174 871.1	—	1 519.7	249.4	167.7	1 936.8	176 807.9	1.1
28E. Administration, Geneva	126 778.7	11 634.9	(375.9)	—	3 754.9	15 013.9	141 792.6	11.8
28F. Administration, Vienna	39 127.0	957.6	67.7	—	355.1	1 380.4	40 507.4	3.5
28G. Administration, Nairobi	29 136.3	(1 215.4)	266.4	—	748.3	(200.7)	28 935.6	(0.7)
29. Office of Information and Communications Technology	72 120.0	—	570.9	—	(1 255.7)	(684.8)	71 435.2	(0.9)
30. Internal oversight	38 925.0	285.0	144.9	—	(4 199.1)	(3 769.2)	35 155.8	(9.7)
31. Jointly financed administrative activities	11 993.4	346.3	15.2	71.3	(1 892.2)	(1 459.4)	10 534.0	(12.2)
32. Special expenses	114 134.1	1 636.8	1 191.8	—	(6 764.2)	(3 935.6)	110 198.5	(3.4)
33. Construction, alteration, improvement and major maintenance	60 326.8	721.9	971.6	4 316.9	(5 530.2)	480.2	60 807.0	0.8
34. Safety and security	238 447.7	3 626.5	2 059.4	(1 647.5)	(10 931.3)	(6 892.9)	231 554.8	(2.9)
35. Development Account	23 651.3	—	—	—	—	—	23 651.3	0.0

Budget section	*Revised appropriation*	*Projected changes*					*Proposed final appropriation*	*Percentage variance*
		Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*		
36. Staff assessment	550 749.9	8 067.3	(107.5)	—	(12 232.1)	(4 272.3)	546 477.6	(0.8)
37. United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)	6 957.1	—	74.1	—	(553.2)	(479.1)	6 478.0	(6.9)
Total (gross)	**5 367 234.7**	**103 660.0**	**11 899.6**	**24 103.4**	**(90 464.0)**	**49 199.0**	**5 416 433.7**	**0.9**

Schedule 2

Summary of projected expenditures by object of expenditure and main determining factor: 2010-2011

(Thousands of United States dollars)

		Projected changes						
Object of expenditure	*Revised appropriation*	*Rate of exchange*	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	*Proposed final appropriation*	*Percentage variance*
Posts	2 356 139.4	66 975.3	(682.1)	(7 110.5)	(11 201.7)	47 981.0	2 404 120.4	2.0
Other staff costs	828 247.5	6 202.9	2 319.5	5 430.1	25 009.6	38 962.1	867 209.6	4.7
Non-staff compensation	18 133.9	66.3	354.7	693.4	(280.9)	833.5	18 967.4	4.6
Consultants and experts	62 111.9	390.2	544.8	(111.5)	(4 764.5)	(3 941.0)	58 170.9	(6.3)
Travel of representatives	34 624.2		412.8	50.0	778.2	1 241.0	35 865.2	3.6
Travel of staff	80 292.1		444.6	1 030.7	5 476.6	6 951.9	87 244.0	8.7
Contractual services	187 698.0	1 501.0	1 757.7	1 044.4	(21 388.3)	(17 085.2)	170 612.8	(9.1)
General operating expenses	541 892.0	4 177.3	2 602.0	2 197.1	(35 079.8)	(26 103.4)	515 788.6	(4.8)
Hospitality	1 588.0	16.4	11.5	5.6	(149.2)	(115.7)	1 472.3	(7.3)
Supplies and materials	59 625.5	800.1	649.7	365.4	(5 353.7)	(3 538.5)	56 087.0	(5.9)
Furniture and equipment	162 801.4	697.1	911.7	6 433.5	(13 364.2)	(5 321.9)	157 479 5	(3.3)
Improvement of premises	118 527.7	713.7	982.4	5 463.1	(2 742.9)	4 416.3	122 944.0	3.7
Grants and contributions	363 210.1	14 052.4	1 697.8	8 612.1	(14 365.5)	9 996.8	373 206.9	2.8
Other	552 343.0	8 067.3	(107.5)		(13 037.7)	(5 077.9)	547 265.1	(0.9)
Total	**5 367 234.7**	**103 660.0**	**11 899.6**	**24 103.4**	**(90 464.0)**	**49 199.0**	**5 416 433.7**	**0.9**

Schedule 3

Summary of projected expenditures for each budget section by object of expenditure and main determining factor: 2010-2011

(Thousands of United States dollars)

		Projected changes					
Budget section	*Revised appropriation*	*Rate of exchange*	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	*Proposed final appropriation*
1. Overall policymaking, direction and coordination							
Posts	60 698.6	733.9	103.4	—	374.9	1 212.2	61 910.8
Other staff costs	3 549.8	16.5	27.8	1 220.6	895.5	2 160.4	5 710.2
Non-staff compensation	3 573.7	37.2	27.4	693.4	525.4	1 283.4	4 857.1
Consultants and experts	446.0	—	7.0	—	(155.5)	(148.50)	297.5
Travel of representatives	8 552.7	—	100.1	50.0	456.0	606.1	9 158.8
Travel of staff	3 763.8	—	45.4	25.0	209.1	279.5	4 043.3
Contractual services	5 519.9	0.5	65.7	19.2	520.1	605.5	6 125.4
General operating expenses	968.2	1.7	13.0	24.0	544.9	583.6	1 551.8
Hospitality	503.6	3.4	5.0	—	(80.1)	(71.7)	431.9
Supplies and materials	227.5	1.4	3.3	6.0	21.2	31.9	259.4
Furniture and equipment	195.8	3.1	1.6	—	12.2	16.9	212.7
Grants and contributions	13 770.7	0.1	156.4	—	(435.3)	(278.8)	13 491.9
Subtotal	**101 770.3**	**797.8**	**556.1**	**2 038.2**	**2 888.4**	**6 280.5**	**108 050.8**
2. General Assembly and Economic and Social Council affairs and conference management							
Posts	509 033.8	18 146.1	(495.2)	—	4 629.9	22 280.8	531 314.6
Other staff costs	73 753.0	2 983.1	356.9	—	(12 818.9)	(9 478.9)	64 274.1
Consultants and experts	—	—	—	—	9.3	9.3	9.3
Travel of representatives	327.1	—	2.6	—	(64.6)	(62.0)	265.1
Travel of staff	322.6	—	3.4	—	330.0	333.4	656.0
Contractual services	23 428.2	670.4	188.2	—	(1 029.2)	(170.6)	23 257.6
General operating expenses	4 419.2	124.6	25.7	—	54.4	204.7	4 623.9
Hospitality	8.6	0.2	—	—	(1.5)	(1.3)	7.3
Supplies and materials	7 388.2	233.2	51.2	—	(2 808.4)	(2 524.0)	4 864.2
Furniture and equipment	5 184.2	116.2	36.5	—	(1 752.6)	(1 599.9)	3 584.3
Improvement of premises	—	—	—	—	4 777.3	4 777.3	4 777.3
Grants and contributions	48 970.4	1 224.7	166.3	—	1 249.4	2 640.4	51 610.8
Subtotal	**672 835.3**	**23 498.5**	**335.6**	**—**	**(7 424.9)**	**16 409.2**	**689 244.5**
3. Political affairs							
Posts	96 903.3	490.5	386.1	(1 008.0)	(4 965.9)	(5 097.3)	91 806.0
Other staff costs	567 100.5	4.5	12.8	2 949.0	40 546.6	43 512.9	610 613.4

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation
Consultants and experts	37 233.3	3.2	3.6	(111.5)	(2 552.8)	(2 657.5)	34 575.8
Travel of representatives	2 076.6	—	20.7	—	(0.4)	20.3	2 096.9
Travel of staff	45 072.4	—	38.4	965.7	(524.2)	479.9	45 552.3
Contractual services	49 640.2	9.2	14.6	921.3	(17 352.6)	(16 407.5)	33 232.7
General operating expenses	306 114.8	42.0	30.4	1 972.4	(28 752.6)	(26 707.8)	279 407.0
Hospitality	524.8	0.6	1.1	—	(21.6)	(19.9)	504.9
Supplies and materials	26 010.3	5.8	6.8	350.9	1 883.0	2 246.5	28 256.8
Furniture and equipment	123 668.2	1.6	6.7	5 696.1	(10 897.4)	(5 193.0)	118 475.2
Improvement of premises	55 608.1	0.3	0.1	150.0	(1 504.6)	(1 354.2)	54 253.9
Grants and contributions	1 731.1	—	—	8 540.8	(372.4)	8 168.4	9 899.5
Other	1 593.1	—	—	—	(805.6)	(805.6)	787.5
Subtotal	**1 313 276.7**	**557.7**	**521.3**	**20 426.7**	**(25 320.5)**	**(3 814.8)**	**1 309 461.9**
4. Disarmament							
Posts	17 297.4	259.8	48.1	—	134.4	442.3	17 739.7
Other staff costs	457.4	0.2	5.3	—	2.4	7.9	465.3
Consultants and experts	1 530.9	—	18.2	—	(58.1)	(39.9)	1 491.0
Travel of staff	326.0	—	3.4	—	90.9	94.3	420.3
Contractual services	235.5	—	2.9	—	26.9	29.8	265.3
General operating expenses	307.7	—	2.9	—	22.5	25.4	333.1
Hospitality	10.6	—	0.1	—	(5.5)	(5.4)	5.2
Supplies and materials	30.6	0.2	0.2	—	29.0	29.4	60.0
Furniture and equipment	27.3	1.0	0.1	—	1.4	2.5	29.8
Grants and contributions	1 911.4	54.6	14.0	—	(261.5)	(192.9)	1 718.5
Subtotal	**22 134.8**	**315.8**	**95.2**	**—**	**(17.6)**	**393.4**	**22 528.2**
5. Peacekeeping operations							
Posts	76 531.0	1 285.6	233.9	(1 345.5)	(7 450.8)	(7 276.8)	69 254.2
Other staff costs	15 374.8	11.4	95.9	139.6	1 057.2	1 304.1	16 678.9
Consultants and experts	—	—	—	—	39.2	39.2	39.2
Travel of staff	4 387.1	—	47.7	—	(64.6)	(16.9)	4 370.2
Contractual services	763.6	6.2	6.1	4.2	(164.7)	(148.2)	615.4
General operating expenses	7 068.4	107.6	49.7	—	1 933.8	2 091.1	9 159.5
Hospitality	39.4	0.3	0.4	5.6	(5.6)	0.7	40.1
Supplies and materials	2 829.5	35.9	19.1	6.5	(303.8)	(242.3)	2 587.2
Furniture and equipment	3 317.2	—	13.5	32.9	1 113.7	1 160.1	4 477.3

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation
Improvement of premises	2 592.8	(8.50)	10.7	—	(824.7)	(822.5)	1 770.3
Subtotal	**112 903.8**	**1 438.5**	**477.0**	**(1 156.7)**	**(4 670.3)**	**(3 911.5)**	**108 992.3**
6. Peaceful uses of outer space							
Posts	6 833.2	170.6	(9.1)	—	459.9	621.4	7 454.6
Other staff costs	18.7	0.5	—	—	—	0.5	19.2
Consultants and experts	92.2	2.5	0.3	—	(0.6)	2.2	94.4
Travel of staff	154.2	—	1.9	—	(1.2)	0.7	154.9
Contractual services	36.2	1.0	—	—	(1.6)	(0.6)	35.6
General operating expenses	64.3	1.7	0.2	—	(2.7)	(0.8)	63.5
Hospitality	4.3	0.1	—	—	—	0.1	4.4
Furniture and equipment	17.1	0.1	—	—	(0.1)	—	17.1
Grants and contributions	802.8	15.3	1.9	—	(6.6)	10.6	813.4
Subtotal	**8 023.0**	**191.8**	**(4.8)**	**—**	**447.1**	**634.1**	**8 657.1**
7. International Court of Justice							
Posts	23 895.6	644.5	(62.3)	—	347.7	929.9	24 825.5
Other staff costs	2 415.7	51.2	21.7	—	(322.4)	(249.5)	2 166.2
Non-staff compensation	13 385.8	29.1	314.3	—	(858.0)	(514.6)	12 871.2
Consultants and experts	89.4	2.2	0.8	—	(6.8)	(3.8)	85.6
Travel of staff	98.3	—	1.1	—	(4.4)	(3.3)	95.0
Contractual services	1 105.1	27.6	10.2	—	(34.6)	3.2	1 108.3
General operating expenses	3 853.8	94.2	4.9	—	(178.8)	(79.7)	3 774.1
Hospitality	19.9	0.5	0.2	—	(1.3)	(0.6)	19.3
Supplies and materials	505.2	12.5	4.4	—	(35.1)	(18.2)	487.0
Furniture and equipment	1 237.0	28.2	10.6	—	(133.1)	(94.3)	1 142.7
Subtotal	**46 605.8**	**890.0**	**305.9**	**—**	**(1 226.8)**	**(30.9)**	**46 574.9**
8. Legal affairs							
Posts	38 361.2	146.5	138.7	—	(535.1)	(249.9)	38 111.3
Other staff costs	215.9	—	4.6	547.2	100.2	652.0	867.9
Non-staff compensation	0.1	—	—	—	—	—	0.1
Consultants and experts	436.7	7.5	2.1	—	(41.9)	(32.3)	404.4
Travel of representatives	1 916.6	—	22.3	—	575.3	597.6	2 514.2
Travel of staff	1 073.1	—	12.4	—	100.5	112.9	1 186.0
Contractual services	2 239.4	5.2	24.3	7.2	(216.0)	(179.3)	2 060.1
General operating expenses	260.3	—	3.2	9.6	115.6	128.4	388.7

Budget section	Revised appropriation	Projected changes: Rate of exchange	Projected changes: Inflation	Projected changes: Unforeseen and extraordinary expenses and decisions of policymaking organs	Projected changes: Post incumbency and other changes	Projected changes: Total	Proposed final appropriation
Hospitality	9.2	—	0.1	—	(2.00)	(1.9)	7.3
Supplies and materials	187.1	2.8	1.2	2.0	19.3	25.3	212.4
Furniture and equipment	276.9	0.8	2.5	11.2	(82.3)	(67.8)	209.1
Grants and contributions	420.0	—	4.5	—	(10.6)	(6.1)	413.9
Subtotal	**45 396.5**	**162.8**	**215.9**	**577.2**	**23.0**	**978.9**	**46 375.4**
9. Economic and social affairs							
Posts	141 929.1	—	615.5	—	(652.7)	(37.2)	141 891.9
Other staff costs	1 242.0	—	16.1	—	146.3	162.4	1 404.4
Consultants and experts	4 203.3	—	48.2	—	(788.5)	(740.3)	3 463.0
Travel of representatives	2 497.7	—	28.7	—	(724.9)	(696.2)	1 801.5
Travel of staff	2 023.8	—	23.9	—	1 053.6	1 077.5	3 101.3
Contractual services	3 813.1	—	43.6	—	171.6	215.2	4 028.3
General operating expenses	960.9	—	11.2	—	76.9	88.1	1 049.0
Hospitality	22.5	—	0.2	—	(3.2)	(3.0)	19.5
Supplies and materials	325.0	—	3.3	—	(33.2)	(29.9)	295.1
Furniture and equipment	785.4	—	8.5	—	61.7	70.2	855.6
Grants and contributions	1 308.1	—	9.3	—	(800.2)	(790.9)	517.2
Subtotal	**159 110.9**	**—**	**808.5**	**—**	**(1 492.6)**	**(684.1)**	**158 426.8**
10. Least developed countries, landlocked developing countries and small island developing States							
Posts	5 893.2	—	30.5	—	(140.3)	(109.8)	5 783.4
Other staff costs	793.4	—	9.5	—	(64.2)	(54.7)	738.7
Consultants and experts	171.7	—	1.5	—	(51.7)	(50.2)	121.5
Travel of staff	233.0	—	2.7	—	110.8	113.5	346.5
Contractual services	184.7	—	2.2	—	1.5	3.7	188.4
General operating expenses	60.9	—	0.6	—	(4.7)	(4.1)	56.8
Hospitality	2.2	—		—	—	—	2.2
Supplies and materials	19.7	—	0.2	—	3.1	3.3	23.0
Furniture and equipment	47.3	—	0.5	—	(24.0)	(23.5)	23.8
Subtotal	**7 406.1**	**—**	**47.7**	**—**	**(169.5)**	**(121.8)**	**7 284.3**
11. United Nations support for the New Partnership for Africa's Development							
Posts	10 249.6	(12.9)	38.3	—	(2 275.4)	(2 250.0)	7 999.6
Other staff costs	394.6	(1.5)	13.6	—	(105.3)	(93.2)	301.4
Consultants and experts	796.7	(0.4)	18.6	—	(150.6)	(132.4)	664.3
Travel of staff	470.7	—	5.8	—	107.0	112.8	583.5

Budget section	*Revised appropriation*	*Projected changes*					*Proposed final appropriation*
		Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	
Contractual services	531.7	—	6.1	—	(173.9)	(167.8)	363.9
General operating expenses	129.6	—	1.5	—	(62.6)	(61.1)	68.5
Hospitality	2.5	—	—	—	—	—	2.5
Supplies and materials	24.6	—	0.3	—	129.0	129.3	153.9
Furniture and equipment	41.0	—	0.4	—	0.1	0.5	41.5
Subtotal	**12 641.0**	**(14.8)**	**84.6**	**—**	**(2 531.7)**	**(2 461.9)**	**10 179.1**
12. Trade and development							
Posts	123 347.8	11 782.7	(1 257.4)	—	1 545.3	12 070.6	135 418.4
Other staff costs	1 427.7	132.8	(4.5)	—	(182.9)	(54.6)	1 373.1
Consultants and experts	2 011.8	180.3	(6.0)	—	(89.3)	85.0	2 096.8
Travel of representatives	447.7	—	5.1	—	(9.3)	(4.2)	443.5
Travel of staff	1 250.9	—	14.8	—	(1.7)	13.1	1 264.0
Contractual services	183.0	17.0	(0.5)	—	(28.2)	(11.7)	171.3
General operating expenses	2 715.9	251.5	(8.6)	—	(832.8)	(589.9)	2 126.0
Hospitality	57.7	5.0	(0.2)	—	(5.6)	(0.8)	56.9
Supplies and materials	1 924.9	177.4	(6.1)	—	(563.0)	(391.7)	1 533.2
Furniture and equipment	1 089.4	102.8	(3.5)	—	(369.9)	(270.6)	818.8
Grants and contributions	2 173.0	—	—	—	(4.3)	(4.3)	2 168.7
Subtotal	**136 629.8**	**12 649.5**	**(1 266.9)**	**—**	**(541.7)**	**10 840.9**	**147 470.7**
13. International Trade Centre UNCTAD/WTO							
Grants and contributions	31 793.3	2 931.5	(76.80)	—	1 609.5	4 464.2	36 257.5
Subtotal	**31 793.3**	**2 931.5**	**(76.80)**	**—**	**1 609.5**	**4 464.2**	**36 257.5**
14. Environment							
Posts	13 021.5	(288.6)	—	—	1 010.4	721.8	13 743.3
Other staff costs	94.8	0.7	0.5	—	(2.1)	(0.9)	93.9
Consultants and experts	287.4	1.9	1.4	—	—	3.3	290.7
Travel of representatives	154.8	—	1.8	—	(34.8)	(33.0)	121.8
Travel of staff	168.8	—	1.9	—	—	1.9	170.7
Contractual services	191.2	(1.6)	1.5	—	(15.9)	(16.0)	175.2
General operating expenses	138.9	(1.3)	1.3	—	—	—	138.9
Hospitality	27.1	(0.5)	—	—	—	(0.5)	26.6
Supplies and materials	49.9	(1.3)	0.3	—	—	(1.0)	48.9
Furniture and equipment	76.9	(1.3)	0.7	—	(1.4)	(2.0)	74.9
Subtotal	**14 211.3**	**(292.0)**	**9.4**	**—**	**956.2**	**673.6**	**14 884.9**

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation
15. Human settlements							
Posts	18 156.9	(773.7)	51.5	–	2 462.1	1 739.9	19 896.8
Other staff costs	282.5	(2.4)	0.5	—	—	(1.9)	280.6
Consultants and experts	369.1	(9.1)	2.3	—	—	(6.80)	362.3
Travel of staff	333.2	—	3.9	—	—	3.9	337.1
Contractual services	546.0	(19.8)	5.2	—	—	(14.6)	531.4
General operating expenses	548.2	(16.5)	4.8	—	—	(11.7)	536.5
Hospitality	12.1	(0.5)	—	—	—	(0.5)	11.6
Supplies and materials	179.4	(6.0)	1.8	—	—	(4.2)	175.2
Furniture and equipment	137.3	(4.8)	1.7	—	—	(3.1)	134.2
Subtotal	**20 564.7**	**(832.8)**	**71.7**	**—**	**2 462.1**	**1 701.0**	**22 265.7**
16. International drug control, crime and terrorism prevention and criminal justice							
Posts	32 177.5	800.2	(43.8)	—	3 232.8	3 989.2	36 166.7
Other staff costs	634.4	13.6	1.6	—	(1.4)	13.8	648.2
Consultants and experts	1 867.6	43.6	5.6	—	(320.3)	(271.1)	1 596.5
Travel of representatives	1 639.4	—	16.5	—	(262.8)	(246.3)	1 393.1
Travel of staff	693.8	—	7.8	—	211.5	219.3	913.1
Contractual services	1 037.8	25.7	3.6	—	(70.2)	(40.9)	996.9
General operating expenses	563.6	14.4	1.9	—	(113.8)	(97.5)	466.1
Hospitality	8.5	0.2	0.1	—	(1.5)	(1.2)	7.3
Supplies and materials	150.8	3.9	0.7	—	9.5	14.1	164.9
Furniture and equipment	355.8	9.0	1.1	—	114.3	124.4	480.2
Grants and contributions	61.9	1.6	0.2	—	(31.3)	(29.5)	32.4
Subtotal	**39 191.1**	**912.2**	**(4.7)**	**—**	**2 766.8**	**3 674.3**	**42 865.4**
17. Economic and social development in Africa							
Posts	87 825.5	(546.1)	(338.0)	(3 109.5)	(5 519.5)	(9 513.1)	78 312.4
Other staff costs	3 446.0	(39.5)	282.8	—	(503.5)	(260.2)	3 185.8
Consultants and experts	4 173.2	(14.0)	384.4	—	(589.1)	(218.7)	3 954.5
Travel of staff	2 574.4	—	30.6	—	(162.6)	(132.0)	2 442.4
Contractual services	4 595.0	—	432.9	—	(578.3)	(145.4)	4 449.6
General operating expenses	8 798.0	(77.3)	756.7	—	(788.5)	(109.1)	8 688.9
Hospitality	36.3	(0.3)	2.9	—	(4.3)	(1.7)	34.6
Supplies and materials	4 167.3	—	398.3	—	(1 077.4)	(679.1)	3 488.2
Furniture and equipment	6 526.8	—	616.2	—	(783.0)	(166.8)	6 360.0

Budget section	*Revised appropriation*	*Projected changes*					*Proposed final appropriation*
		Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	
Grants and contributions	1 520.0	(2.4)	18.3	—	(96.4)	(80.5)	1 439.5
Subtotal	**123 662.5**	**(679.6)**	**2 585.1**	**(3 109.5)**	**(10 102.6)**	**(11 306.6)**	**112 355.9**
18. Economic and social development in Asia and the Pacific							
Posts	85 304.1	2 444.1	(198.9)	—	638.0	2 883.2	88 187.3
Other staff costs	1 670.5	36.3	10.2	—	(151.9)	(105.4)	1 565.1
Consultants and experts	958.5	24.1	7.4	—	(30.9)	0.6	959.1
Travel of representatives	—	—	—	—	4.1	4.1	4.1
Travel of staff	1 430.7	—	16.5	—	(52.8)	(36.3)	1 394.4
Contractual services	930.4	25.1	7.3	—	(31.0)	1.4	931.8
General operating expenses	5 374.3	140.3	44.1	—	(500.4)	(316.0)	5 058.3
Hospitality	35.1	0.8	0.1	—	(2.4)	(1.5)	33.6
Supplies and materials	927.1	24.8	7.4	—	(156.6)	(124.4)	802.7
Furniture and equipment	1 689.8	42.4	12.8	—	(44.4)	10.8	1 700.6
Grants and contributions	6.3	0.2	—	—	3.7	3.9	10.2
Subtotal	**98 326.8**	**2 738.1**	**(93.1)**	**—**	**(324.6)**	**2 320.4**	**100 647.2**
19. Economic development in Europe							
Posts	61 076.1	5 918.0	(508.3)	—	1 362.5	6 772.2	67 848.3
Other staff costs	250.9	22.9	(0.8)	—	(41.4)	(19.3)	231.6
Consultants and experts	395.8	39.0	(1.6)	—	(102.0)	(64.6)	331.2
Travel of staff	963.3	—	9.3	—	18.7	28.0	991.3
Contractual services	652.5	50.4	(1.6)	—	(110.1)	(61.3)	591.2
General operating expenses	66.9	6.2	(0.1)	—	(27.3)	(21.2)	45.7
Hospitality	23.0	2.1	(0.1)	—	(3.6)	(1.6)	21.4
Supplies and materials	253.9	13.9	(0.6)	—	(68.4)	(55.1)	198.8
Furniture and equipment	518.3	47.2	(1.7)	—	(77.0)	(31.5)	486.8
Grants and contributions	1 346.4	140.6	(4.8)	—	(254.3)	(118.5)	1 227.9
Subtotal	**65 547.1**	**6 240.3**	**(510.3)**	**—**	**697.1**	**6 427.1**	**71 974.2**
20. Economic and social development in Latin America and the Caribbean							
Posts	91 891.9	3 038.8	(841.9)	—	4 585.9	6 782.8	98 674.7
Other staff costs	2 235.7	4.3	(6.8)	—	(189.3)	(191.8)	2 043.9
Consultants and experts	1 428.6	—	(3.4)	—	(103.3)	(106.7)	1 321.9
Travel of staff	1 789.7	—	20.3	40.0	103.2	163.5	1 953.2
Contractual services	1 720.1	—	(5.0)	92.5	30.4	117.9	1 838.0
General operating expenses	8 013.4	175.1	(15.3)	—	(116.1)	43.7	8 057.1

Budget section	*Revised appropriation*	*Projected changes*					*Proposed final appropriation*
		Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	
Hospitality	33.9	1.1	—	—	(2.4)	(1.3)	32.6
Supplies and materials	1 301.9	32.0	(3.4)	—	(379.8)	(351.2)	950.7
Furniture and equipment	1 714.7	—	(5.2)	630.1	(50.0)	574.9	2 289.6
Improvement of premises	—	—	—	996.2	(50.4)	945.8	945.8
Grants and contributions	—	—	—	—	14.2	14.2	14.2
Subtotal	**110 129.9**	**3 251.3**	**(860.7)**	**1 758.8**	**3 842.4**	**7 991.8**	**118 121.7**
21. Economic and social development in Western Asia							
Posts	52 802.9	7.9	694.6	—	1 480.0	2 182.5	54 985.4
Other staff costs	985.8	0.3	13.8	—	170.5	184.6	1 170.4
Consultants and experts	1 737.6	0.6	24.0	—	(68.1)	(43.5)	1 694.1
Travel of staff	615.3	—	7.1	—	124.4	131.5	746.8
Contractual services	1 250.5	0.1	16.3	—	106.0	122.4	1 372.9
General operating expenses	3 583.4	0.4	46.1	—	(604.0)	(557.5)	3 025.9
Hospitality	24.8	—	0.3	—	(0.9)	(0.6)	24.2
Supplies and materials	885.6	0.1	11.5	—	(288.9)	(277.3)	608.3
Furniture and equipment	1 002.8	0.1	12.7	—	52.6	65.4	1 068.2
Grants and contributions	409.7	—	5.2	—	(24.4)	(19.2)	390.5
Subtotal	**63 298.4**	**9.5**	**831.6**	**—**	**947.2**	**1 788.3**	**65 086.7**
22. Regular programme of technical cooperation							
Grants and contributions	52 246.2	837.9	912.3	—	(4 365.5)	(2 615.3)	49 630.9
Subtotal	**52 246.2**	**837.9**	**912.3**	**—**	**(4 365.5)**	**(2 615.3)**	**49 630.9**
23. Human rights							
Posts	106 420.2	9 900.8	(1 245.4)	—	(3 848.4)	4 807.0	111 227.2
Other staff costs	6 578.8	605.2	(12.8)	54.8	(881.6)	(234.4)	6 344.4
Non-staff compensation	0.2	—	—	—	—	—	0.2
Consultants and experts	1 120.4	104.6	(3.6)	—	552.2	653.2	1 773.6
Travel of representatives	16 303.9	—	205.1	—	968.5	1 173.6	17 477.5
Travel of staff	3 485.8	—	39.5	—	1 726.7	1 766.2	5 252.0
Contractual services	1 638.1	146.5	(5.5)	—	44.0	185.0	1 823.1
General operating expenses	2 501.1	225.7	(4.9)	4.9	(124.2)	101.5	2 602.6
Hospitality	16.7	1.6	—	—	(1.8)	(0.2)	16.5
Supplies and materials	790.7	70.6	(1.8)	—	(310.8)	(242.0)	548.7
Furniture and equipment	602.8	51.0	(1.4)	—	104.1	153.7	756.5

Budget section	Revised appropriation	Projected changes: Rate of exchange	Projected changes: Inflation	Projected changes: Unforeseen and extraordinary expenses and decisions of policymaking organs	Projected changes: Post incumbency and other changes	Projected changes: Total	Proposed final appropriation
Grants and contributions	1 732.7	73.5	(2.5)	—	(350.2)	(279.2)	1 453.5
Subtotal	**141 191.4**	**11 179.5**	**(1 033.3)**	**59.7**	**(2 121.5)**	**8 084.4**	**149 275.8**
24. International protection, durable solutions and assistance to refugees							
Posts	1 232.7	118.2	(15.9)	—	67.9	170.2	1 402.9
Grants and contributions	82 484.8	7 611.1	(259.0)	—	(7 540.4)	(188.3)	82 296.5
Subtotal	**83 717.5**	**7 729.3**	**(274.9)**	**—**	**(7 472.5)**	**(18.1)**	**83 699.4**
25. Palestine refugees							
Posts	43 697.5	1 383.7	(173.1)	—	3 490.8	4 707.4	48 404.9
Other staff costs	13.4	—	0.1	—	(8.9)	(8.8)	4.6
Contractual services	1.5	—	—	—	(1.5)	(1.5)	—
Subtotal	**43 712.4**	**1 383.7**	**(173.0)**	**—**	**3 486.4**	**4 697.1**	**48 409.5**
26. Humanitarian assistance							
Posts	21 778.8	739.6	(33.1)	—	(332.2)	374.3	22 153.1
Other staff costs	749.9	32.2	3.6	—	(140.2)	(104.4)	645.5
Consultants and experts	143.6	6.1	0.6	—	(22.3)	(15.6)	128.0
Travel of staff	1 044.7	—	12.6	—	(61.1)	(48.5)	996.2
Contractual services	503.1	23.5	1.9	—	(26.5)	(1.1)	502.0
General operating expenses	969.8	32.5	6.0	—	(23.3)	15.2	985.0
Hospitality	20.2	0.8	—	—	(1.3)	(0.5)	19.7
Supplies and materials	105.6	2.0	0.9	—	(21.1)	(18.2)	87.4
Furniture and equipment	155.1	5.7	0.7	—	(21.7)	(15.3)	139.8
Grants and contributions	3 929.1	25.3	(0.9)	—	(113.5)	(89.1)	3 840.0
Subtotal	**29 399.9**	**867.7**	**(7.7)**	**—**	**(763.2)**	**96.8**	**29 496.7**
27. Public information							
Posts	144 745.5	689.5	698.0	—	(4 191.4)	(2 803.9)	141 941.6
Other staff costs	5 819.7	65.4	58.3	—	1 341.6	1 465.3	7 285.0
Travel of representatives	592.0	—	7.3	—	(104.9)	(97.6)	494.4
Travel of staff	1 157.6	—	12.6	—	323.5	336.1	1 493.7
Contractual services	17 986.2	35.6	209.9	—	1 440.5	1 686.0	19 672.2
General operating expenses	9 717.1	19.9	109.5	—	(416.7)	(287.3)	9 429.8
Hospitality	118.8	0.7	1.3	—	1.2	3.2	122.0
Supplies and materials	1 899.6	5.5	21.7	—	(280.5)	(253.3)	1 646.3
Furniture and equipment	2 168.2	17.4	21.6	—	(417.3)	(378.3)	1 789.9
Improvement of premises	—	—	—	—	659.4	659.4	659.4

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation
Grants and contributions	791.9	0.9	9.1	—	(92.8)	(82.8)	709.1
Subtotal	**184 996.6**	**834.9**	**1 149.3**	**—**	**(1 737.4)**	**246.8**	**185 243.4**
28A. Office of the Under-Secretary-General for Management							
Posts	14 127.4	—	58.7	—	198.2	256.9	14 384.3
Other staff costs	213.2	—	4.2	—	123.3	127.5	340.7
Consultants and experts	56.4	—	0.6	—	(40.9)	(40.3)	16.1
Travel of staff	60.9	—	0.8	—	65.3	66.1	127.0
Contractual services	325.2	—	3.8	—	(3.8)	—	325.2
General operating expenses	106.8	—	1.3	—	2.0	3.3	110.1
Hospitality	0.8	—	—	—	—	—	0.8
Supplies and materials	32.2	—	0.3	—	(19.4)	(19.1)	13.1
Furniture and equipment	20.3	—	0.2	—	(19.1)	(18.9)	1.4
Grants and contributions	11 182.9	—	—	—	—	—	11 182.9
Subtotal	**26 126.1**	**—**	**69.9**	**—**	**305.6**	**375.5**	**26 501.6**
28B. Office of Programme Planning, Budget and Accounts							
Posts	34 593.6	—	137.4	—	(332.0)	(194.6)	34 399.0
Other staff costs	1 267.1	—	17.8	—	(553.3)	(535.5)	731.6
Consultants and experts	491.4	—	6.8	—	(127.2)	(120.4)	371.0
Travel of staff	227.9	—	2.4	—	8.1	10.5	238.4
Contractual services	1 512.4	—	18.3	—	(444.9)	(426.6)	1 085.8
General operating expenses	244.3	—	2.6	—	(2.9)	(0.3)	244.0
Supplies and materials	118.1	—	1.2	—	(9.1)	(7.9)	110.2
Furniture and equipment	97.7	—	0.5	—	21.0	21.5	119.2
Subtotal	**38 552.5**	**—**	**187.0**	**—**	**(1 440.3)**	**(1 253.3)**	**37 299.2**
28C. Office of Human Resources Management							
Posts	42 384.1	—	164.7	—	(52.9)	111.8	42 495.9
Other staff costs	2 387.1	—	30.2	518.9	193.0	742.1	3 129.2
Consultants and experts	184.8	—	2.2	—	240.4	242.6	427.4
Travel of staff	853.7	—	9.8	—	(69.9)	(60.1)	793.6
Contractual services	27 054.2	—	317.8	—	(1 120.6)	(802.8)	26 251.4
General operating expenses	809.7	—	9.7	—	20.3	30.0	839.7
Hospitality	10.1	—	—	—	(1.5)	(1.5)	8.6
Supplies and materials	747.3	—	8.5	—	(125.4)	(116.9)	630.4
Furniture and equipment	183.6	—	0.5	—	75.4	75.9	259.5

Budget section	*Revised appropriation*	*Projected changes*					*Proposed final appropriation*
		Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	
Grants and contributions	—	—	—	—	0.6	0.6	0.6
Subtotal	**74 614.6**	**—**	**543.4**	**518.9**	**(840.6)**	**221.7**	**74 836.3**
28D. Office of Central Support Services							
Posts	57 960.5	—	87.7	—	489.1	576.8	58 537.3
Other staff costs	2 683.5	—	31.9	—	997.4	1 029.3	3 712.8
Consultants and experts	281.9	—	3.3	—	(149.1)	(145.8)	136.1
Travel of staff	131.2	—	1.4	—	35.7	37.1	168.3
Contractual services	11 934.4	—	143.1	—	957.9	1 101.0	13 035.4
General operating expenses	98 053.6	—	1 206.2	186.2	(2 533.5)	(1 141.1)	96 912.5
Hospitality	6.2	—	—	—	—	—	6.2
Supplies and materials	2 081.4	—	24.8	—	167.2	192.0	2 273.4
Furniture and equipment	1 738.4	—	21.3	63.2	203.0	287.5	2 025.9
Subtotal	**174 871.1**	**—**	**1 519.7**	**249.4**	**167.7**	**1 936.8**	**176 807.9**
28E. Administration, Geneva							
Posts	74 886.5	6 946.2	(215.2)	—	5 257.4	11 988.4	86 874.9
Other staff costs	3 761.0	344.0	(11.5)	—	(424.2)	(91.7)	3 669.3
Travel of staff	85.6	—	0.9	—	52.7	53.6	139.2
Contractual services	5 241.0	470.5	(15.9)	—	(32.0)	422.6	5 663.6
General operating expenses	34 923.5	3 145.7	(109.4)	—	(714.0)	2 322.3	37 245.8
Hospitality	3.2	0.2	—	—	—	0.2	3.4
Supplies and materials	1 688.7	158.5	(5.4)	—	(209.9)	(56.8)	1 631.9
Furniture and equipment	2 526.5	229.7	(7.9)	—	77.7	299.5	2 826.0
Grants and contributions	3 662.7	340.1	(11.5)	—	(252.80)	75.8	3 738.5
Subtotal	**126 778.7**	**11 634.9**	**(375.9)**	**—**	**3 754.9**	**15 013.9**	**141 792.6**
28F. Administration, Vienna							
Posts	19 182.1	467.8	4.3	—	661.4	1 133.5	20 315.6
Other staff costs	1 139.7	28.5	3.7	—	(37.1)	(4.9)	1 134.8
Consultants and experts	—	—	—	—	9.9	9.9	9.9
Travel of staff	32.8	—	0.3	—	57.0	57.3	90.1
Contractual services	652.3	16.3	2.0	—	(10.4)	7.9	660.2
General operating expenses	4 081.6	95.3	11.9	—	(3.6)	103.6	4 185.2
Hospitality	2.6	0.1	—	—	(1.9)	(1.8)	0.8
Supplies and materials	499.5	11.7	1.3	—	(32.4)	(19.4)	480.1
Furniture and equipment	1 560.5	38.6	4.9	—	(39.1)	4.4	1 564.9

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation
Grants and contributions	11 975.9	299.3	39.3	—	(248.7)	89.9	12 065.8
Subtotal	**39 127.0**	**957.6**	**67.7**	**—**	**355.1**	**1 380.4**	**40 507.4**
28G. Administration, Nairobi							
Posts	19 988.7	(951.3)	200.4	—	2 538.9	1 788.0	21 776.7
Other staff costs	1 037.7	(5.3)	1.5	—	(203.4)	(207.2)	830.5
Consultants and experts	14.9	(0.5)	—	—	—	(0.5)	14.4
Travel of staff	24.4	—	0.3	—	—	0.3	24.7
Contractual services	351.6	(12.8)	3.5	—	(89.0)	(98.3)	253.3
General operating expenses	6 835.5	(221.0)	55.3	—	(1 193.0)	(1 358.7)	5 476.8
Supplies and materials	434.9	(9.2)	1.5	—	(243.6)	(251.3)	183.6
Furniture and equipment	448.6	(15.3)	3.9	—	(61.6)	(73.0)	375.6
Subtotal	**29 136.3**	**(1 215.4)**	**266.4**	**—**	**748.3**	**(200.7)**	**28 935.6**
29. Office of Information and Communications Technology							
Posts	34 923.5	—	151.6	—	(319.5)	(167.9)	34 755.6
Other staff costs	1 974.7	—	23.4	—	207.3	230.7	2 205.4
Travel of staff	549.3	—	6.7	—	358.5	365.2	914.5
Contractual services	15 890.6	—	167.4	—	(1 991.7)	(1 824.3)	14 066.3
General operating expenses	17 182.8	—	202.6	—	540.7	743.3	17 926.1
Supplies and materials	438.2	—	5.2	—	(312.2)	(307.0)	131.2
Furniture and equipment	1 097.5	—	14.0	—	324.6	338.6	1 436.1
Grants and contributions	63.4	—	—	—	(63.4)	(63.4)	—
Subtotal	**72 120.0**	**—**	**570.9**	**—**	**(1 255.7)**	**(684.8)**	**71 435.2**
30. Internal oversight							
Posts	32 640.9	275.7	78.1	—	(3 361.1)	(3 007.3)	29 633.6
Other staff costs	1 087.1	5.8	11.1	—	320.0	336.9	1 424.0
Consultants and experts	1 022.2	(1.4)	11.8	—	12.0	22.4	1 044.6
Travel of staff	2 200.6	—	26.5	—	(504.2)	(477.7)	1 722.9
Contractual services	1 149.7	4.0	9.6	—	(394.9)	(381.3)	768.4
General operating expenses	441.5	0.3	4.6	—	(182.7)	(177.8)	263.7
Hospitality	2.2	—	—	—	(2.2)	(2.2)	—
Supplies and materials	189.5	0.6	1.7	—	(76.7)	(74.4)	115.1
Furniture and equipment	169.6	0.4	1.5	—	4.6	6.5	176.1
Grants and contributions	21.7	(0.4)	—	—	(13.9)	(14.3)	7.4
Subtotal	**38 925.0**	**285.0**	**144.9**	**—**	**(4 199.1)**	**(3 769.2)**	**35 155.8**

Budget section	Revised appropriation	Projected changes: Rate of exchange	Inflation	Unforeseen and extraordinary expenses and decisions of policymaking organs	Post incumbency and other changes	Total	Proposed final appropriation
31. Jointly financed administrative activities							
Grants and contributions	11 993.4	346.3	15.2	71.3	(1 892.2)	(1 459.4)	10 534.0
Subtotal	**11 993.4**	**346.3**	**15.2**	**71.3**	**(1 892.2)**	**(1 459.4)**	**10 534.0**
32. Special expenses							
Other staff costs	106 554.6	1 636.8	1 111.2		(6 556.0)	(3 808.0)	102 746.6
Non-staff compensation	1 174.1		13.0		51.7	64.7	1 238.8
Consultants and experts	226.6		2.6		(2.6)		226.6
Contractual services	63.3		0.6		(0.6)		63.3
General operating expenses	6 115.5		64.4		(256.7)	(192.3)	5 923.2
Subtotal	**114 134.1**	**1 636.8**	**1 191.8**	**—**	**(6 764.2)**	**(3 935.6)**	**110 198.5**
33. Construction, alteration, improvement and major maintenance							
Other staff costs					269.7	269.7	269.7
Improvement of premises	60 326.8	721.9	971.6	4 316.9	(5 799.9)	210.5	60 537.3
Subtotal	**60 326.8**	**721.9**	**971.6**	**4 316.9**	**(5 530.2)**	**480.2**	**60 807.0**
34. Safety and security							
Posts	148 027.3	3 157.2	773.5	(1 647.5)	(11 794.4)	(9 511.2)	138 516.1
Other staff costs	16 617.1	255.4	185.0		1 830.8	2 271.2	18 888.3
Consultants and experts	123.2		1.5		(124.7)	(123.2)	
Travel of representatives					3.4	3.4	3.4
Travel of staff	2 634.9		31.2		1 849.7	1 880.9	4 515.8
Contractual services	4 645.8	0.4	74.4		(730.8)	(656.0)	3 989.8
General operating expenses	5 859.0	14.3	67.2		(946.9)	(865.4)	4 993.6
Supplies and materials	3 200.6	23.8	89.7		(257.0)	(143.5)	3 057.1
Furniture and equipment	4 090.8	23.2	135.6		(749.2)	(590.4)	3 500.4
Grants and contributions	53 249.0	152.2	701.3		(12.2)	841.3	54 090.3
Subtotal	**238 447.7**	**3 626.5**	**2 059.4**	**(1 647.5)**	**(10 931.3)**	**(6 892.9)**	**231 554.8**
35. Development Account							
Grants and contributions	23 651.3						23 651.3
Subtotal	**23 651.3**	**—**	**—**	**—**	**—**	**—**	**23 651.3**
36. Staff assessment							
Other	550 749.9	8 067.3	(107.5)		(12 232.1)	(4 272.3)	546 477.6
Subtotal	**550 749.9**	**8 067.3**	**(107.5)**	**—**	**(12 232.1)**	**(4 272.3)**	**546 477.6**

Budget section	*Revised appropriation*	*Projected changes*					*Proposed final appropriation*
		Rate of exchange	*Inflation*	*Unforeseen and extraordinary expenses and decisions of policymaking organs*	*Post incumbency and other changes*	*Total*	
37. United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)							
Post	6 319.9		60.5		(403.6)	(343.1)	5 976.8
Other staff costs	18.8		0.3		(4.2)	(3.9)	14.9
Consultants and experts	216.7		4.6		(51.2)	(46.6)	170.1
Travel of representatives	115.7		2.6		(27.4)	(24.8)	90.9
Travel of staff	57.6		1.3		(13.6)	(12.3)	45.3
Contractual services	144.5		3.2		(34.2)	(31.0)	113.5
General operating expenses	39.5		0.8		(9.1)	(8.3)	31.2
Hospitality	1.1				(0.2)	(0.2)	0.9
Supplies and materials	10.7		0.2		(2.3)	(2.1)	8.6
Furniture and equipment	32.6		0.6		(7.4)	(6.8)	25.8
Subtotal	**6 957.1**	**—**	**74.1**	**—**	**(553.2)**	**(479.1)**	**6 478.0**
Total	**5 367 234.7**	**103 660.0**	**11 899.6**	**24 103.4**	**(90 464.0)**	**49 199.0**	**5 416 433.7**

Schedule 4

Rates of exchange relative to the United States dollar and inflation by duty station: 2010-2011

	Rates of exchange				*Rates of inflation applicable to non-post objects of expenditure*			
	Revised appropriation		*Present report*		*Revised appropriation*		*Present report*	
Duty station/office (currency)	*2010*[a]	*2011*[b]	*2010*[c]	*2011*[d]	*2010*	*2011*	*2010*	*2011*
Vienna (euro)	0.753	0.753	0.754	0.716	2.1	1.9	1.7	3.3
Santiago (Chilean peso)	509.417	509.417	509.250	478.083	1.6	3.5	1.4	3.3
Addis Ababa (Ethiopian birr)	14.074	16.380	14.085	16.847	7.0	11.0	8.1	28.8
United Nations Military Observer Group in India and Pakistan (rupee)	45.835	45.835	45.856	46.123	11.7	6.4	12.0	6.8
Beirut (Lebanese pound)	1 500.417	1 500.417	1 500.417	1 500.000	3.7	3.2	4.0	5.2
Gaza (new sheqel)[e]	3.745	3.745	3.738	3.560	2.5	2.4	2.7	3.4
Nairobi (Kenyan shilling)	78.610	80.950	78.539	88.993	4.6	5.4	4.0	11.0
Mexico City (Mexican peso)	12.772	12.860	12.685	12.305	4.1	4.0	4.2	3.5
The Hague (euro)	0.753	0.753	0.754	0.716	1.1	1.0	1.3	2.3
Bangkok (Thai baht)	32.050	32.050	31.954	30.485	3.5	2.0	3.3	4.1
Port-of-Spain (Trinidad and Tobago dollar)	6.282	6.282	6.301	6.330	10.4	5.9	10.5	4.9
New York (United States dollar)	1.000	1.000	1.000	1.000	1.4	1.0	1.6	3.0
Geneva (Swiss franc)	1.046	1.046	1.048	0.885	0.7	0.8	0.7	0.4
United Nations information centres (United States dollar)[f]	1.000	1.000	1.000	1.000	1.4	1.0	1.6	3.0

[a] Average of United Nations operational rates of exchange, with actual rates to October 2010 and the October 2010 rate used for November and December.

[b] Average actual rates were used from January to October 2010, with the October rate projected to November and December, except for Addis Ababa, Nairobi and Mexico City, where the actual October 2010 rate was used.

[c] Average of the actual 2010 United Nations operational rates of exchange.

[d] Average of the actual 2011 United Nations operational rates of exchange applied through October 2011 and the October 2011 rate used for November and December.

[e] Includes UNTSO and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

[f] Includes combined effect of inflation and exchange rate changes.

Schedule 5

United Nations operational rates of exchange relative to the United States dollar: 2011

Duty station/office (currency)	Revised appropriation		Present report		Variance (percentage)		Actual rate									Projected rate	
	2010[a]	2011[b]	2010[c]	2011[d]	2010	2011	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Vienna (euro)	0.753	0.753	0.754	0.716	0.13	(4.91)	0.761	0.734	0.728	0.710	0.675	0.702	0.699	0.700	0.688	0.733	0.733	0.733
Santiago (Chilean peso)	509.417	509.417	509.250	478.083	(0.03)	(6.15)	465.000	487.000	470.000	478.000	460.000	466.000	466.000	459.000	462.000	508.000	508.000	508.000
Addis Ababa (Ethiopian birr)	14.074	16.380	14.085	16.847	0.08	2.85	16.530	16.580	16.640	16.710	16.760	16.820	16.900	16.960	17.020	17.080	17.080	17.080
United Nations Military Observer Group in India and Pakistan (rupee)	45.835	45.835	45.856	46.123	0.05	0.63	45.300	45.500	45.170	44.710	44.450	45.220	44.930	44.400	45.900	49.300	49.300	49.300
Beirut (Lebanese pound)	1 500.417	1 500.417	1 500.417	1 500.000	—	(0.03)	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000	1 500.000
Gaza (new shequel)[e]	3.745	3.745	3.738	3.560	(0.19)	(4.94)	3.580	3.590	3.600	3.540	3.410	3.460	3.450	3.390	3.570	3.710	3.710	3.710
Nairobi (Kenyan shilling)	78.610	80.950	78.539	88.993	(0.09)	9.94	80.540	80.400	81.600	84.060	83.250	85.490	90.800	91.000	93.500	99.090	99.090	99.090
Mexico City (Mexican peso)	12.772	12.860	12.685	12.305	(0.68)	(4.32)	12.310	12.110	12.020	11.980	11.740	11.610	11.800	11.640	12.250	13.400	13.400	13.400
The Hague (euro)	0.753	0.753	0.754	0.716	0.13	(4.91)	0.761	0.734	0.728	0.710	0.675	0.702	0.699	0.700	0.688	0.733	0.733	0.733
Bangkok (Thai baht)	32.050	32.050	31.954	30.485	(0.30)	(4.88)	30.170	30.850	30.660	30.370	30.060	30.360	30.620	29.780	29.890	31.020	31.020	31.020
Port-of-Spain (Trinidad and Tobago dollar)	6.282	6.282	6.301	6.330	0.30	0.76	6.330	6.330	6.330	6.330	6.330	6.330	6.330	6.330	6.330	6.330	6.330	6.330
Geneva (Swiss franc)	1.046	1.046	1.048	0.885	0.19	(15.39)	0.951	0.942	0.930	0.922	0.873	0.857	0.833	0.802	0.816	0.896	0.896	0.896

[a] Average of United Nations operational rates of exchange, with actual rates to October 2010 and the October 2010 rate used for November and December.

[b] Average actual rates were used from January to October 2010, with the October 2010 rate projected to November and December, except for Addis Ababa, Nairobi and Mexico City, where actual October 2010 rates were used.

[c] Average of the actual 2010 United Nations operational rates of exchange.

[d] Average of the actual 2011 United Nations operational rates of exchange applied through October 2011 and the October 2011 rate used for November and December.

[e] Includes UNTSO and UNRWA.

Schedule 6

Post adjustment multipliers applicable to staff in the Professional category and above: 2011

	Revised appropriation		*Present report*		*Actual multiplier*										*Projected multiplier*	
Duty station/office	*2010*[a]	*2011*[b]	*2010*[c]	*2011*[d]	*Jan*	*Feb*	*March*	*April*	*May*	*June*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*
Vienna	57.1	58.7	56.9	64.0	55.1	60.3	61.5	65.2	72.9	66.9	67.5	67.3	69.9	60.4	60.4	60.4
Santiago	45.5	47.3	46.3	52.7	49.6	49.6	52.0	52.0	52.0	52.0	54.1	54.1	54.1	54.1	54.1	54.1
Addis Ababa	45.1	44.9	44.2	40.1	37.5	37.5	37.5	37.5	37.5	37.5	41.6	41.6	41.6	41.6	45.0	45.0
United Nations Military Observer Group in India and Pakistan	37.9	41.3	38.0	40.1	38.5	38.5	39.0	39.0	39.0	39.0	41.4	41.4	41.4	41.4	41.4	41.4
Beirut	46.5	48.8	46.4	50.2	45.4	45.4	47.5	47.5	47.5	47.5	50.0	50.0	55.2	54.9	55.8	55.8
Gaza[e]	47.4	49.3	47.6	54.9	48.9	48.9	51.1	51.1	51.1	51.1	56.9	59.8	59.9	59.9	59.9	59.9
Nairobi	38.2	44.9	35.7	33.0	32.9	32.9	32.5	32.5	32.5	32.5	33.3	33.3	33.3	33.3	33.3	33.3
Mexico City	43.2	42.2	43.5	45.3	41.8	41.8	43.3	43.3	44.3	44.3	47.4	47.4	47.4	47.4	47.4	47.4
The Hague	50.7	52.0	50.5	57.5	48.6	53.4	54.6	58.1	65.5	59.7	60.4	60.1	62.7	55.8	55.8	55.8
Bangkok	41.4	42.9	41.8	45.1	42.9	42.9	42.8	42.8	42.8	42.8	46.9	46.9	46.9	46.9	48.4	48.4
Port-of-Spain	49.5	53.4	49.7	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
New York	63.5	63.5	63.5	63.1	61.3	61.3	61.3	61.3	61.3	61.3	61.3	65.7	65.7	65.7	65.7	65.7
Security field offices	37.3	38.7	37.6	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8	39.8
Geneva	81.5	81.7	81.0	109.8	95.7	97.4	99.8	101.4	111.8	115.5	121.3	129.1	125.4	106.7	106.7	106.7
United Nations information centres	40.9	42.3	41.2	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3

[a] Average of actual post adjustment multipliers to October 2010 and projected multipliers for November and December.
[b] Projection based on October 2010 rates.
[c] Average of post adjustment multipliers.
[d] Average of actual post adjustment multipliers to October 2011 and projected multipliers for November and December.
[e] Includes UNTSO and UNRWA.

Schedule 7

Changes in General Service salaries in local currency terms: 2010-2011

(Percentage)

Cost station	*Year*	*Rate of increase in revised appropriation (Previous year = 100)*	*Adjusted rates used in performance report*
Vienna	2010	1.27	1.52
	2011	1.90	1.27
Santiago	2010	3.21	3.76
	2011	3.50	1.06
Addis Ababa	2010	26.56	26.56
	2011	11.00	10.34
United Nations Military Observer Group in India and Pakistan	2010	1.95	6.64
	2011	6.40	3.15
Beirut	2010	6.51	8.68
	2011	3.20	3.98
Gaza/UNRWA/UNTSO	2010	5.92	5.92
	2011	2.40	4.22
Nairobi	2010	6.74	7.84
	2011	5.40	5.11
Mexico City	2010	0.75	1.76
	2011	4.00	2.97
The Hague	2010	1.04	1.68
	2011	1.00	1.86
Bangkok	2010	4.24	5.98
	2011	2.00	2.29
Port-of-Spain	2010	4.03	4.97
	2011	5.90	1.78
New York	2010	—	—
	2011	1.00	1.11
Security field offices	2010	—	—
	2011	1.00	1.11
Geneva	2010	0.87	0.87
	2011	0.80	0.63
United Nations information centres	2010	—	—
	2011	1.00	1.11

Schedule 8

Average vacancy rates by budget section: 2008-2011

(Percentage)

	2008		2009		2010		2011[a]	
Budget section	*Professional*	*General Service*	*Professional*	*General Service*	*Professional*	*General Service*	*Professional*	*General Service*
1. Overall policymaking, direction and coordination	16.4	10.8	16.2	10.0	9.2	4.5	4.5	3.9
2. General Assembly and Economic and Social Council affairs and conference management	8.5	2.3	6.7	3.5	6.1	3.3	5.1	5.3
3. Political affairs	6.4	6.7	15.1	4.5	9.1	7.5	5.4	5.6
4. Disarmament	0.9	1.2	2.0	3.6	7.1	—	3.4	—
5. Peacekeeping operations	13.1	7.9	16.3	9.9	13.1	11.5	14.7	14.4
6. Peaceful uses of outer space	16.2	—	5.7	—	—	—	—	—
7. International Court of Justice	13.0	2.3	8.3	0.9	13.8	3.5	1.7	2.4
8. Legal affairs	4.0	1.1	2.5	1.0	4.0	3.1	4.1	1.7
9. Economic and social affairs	6.2	4.6	7.9	6.9	10.4	4.6	5.8	4.4
10. Least developed countries, landlocked developing countries and small island developing States	14.4	14.6	27.0	2.1	17.8	—	16.6	—
11. United Nations support for the New Partnership for Africa's Development	27.7	23.5	36.5	4.2	26.0	2.5	20.4	1.1
12. Trade and development	1.1	3.6	4.3	2.3	3.0	2.3	3.2	2.2
14. Environment	—	3.0	—	—	0.8	—	0.7	—
15. Human settlements	3.7	—	0.5	—	0.7	—	—	—
16. International drug control, crime and terrorism prevention and criminal justice	—	—	0.1	—	0.8	—	0.2	—
17. Economic and social development in Africa	16.2	0.2	20.6	3.0	21.0	12.7	19.6	13.2
18. Economic and social development in Asia and the Pacific	6.5	2.6	12.7	3.5	12.1	5.1	12.3	2.3
19. Economic development in Europe	3.3	4.0	7.2	4.1	6.9	1.8	6.4	2.2
20. Economic and social development in Latin America and the Caribbean	4.4	1.5	10.0	3.2	6.5	1.1	5.0	1.3
21. Economic and social development in Western Asia	19.2	4.1	23.9	3.1	18.2	0.8	10.7	1.3

Budget section	2008		2009		2010		2011[a]	
	Professional	*General Service*	*Professional*	*General Service*	*Professional*	*General Service*	*Professional*	*General Service*
23. Human rights	13.6	2.9	12.3	5.8	8.5	1.8	5.7	2.4
24. International protection, durable solutions and assistance to refugees	—	—	12.5	—	—	—	—	—
25. Palestine refugees	10.9	6.8	6.8	8.3	4.3	7.6	0.8	3.0
26. Humanitarian assistance	2.1	—	1.7	—	2.2	—	2.1	—
27. Public information	4.5	3.3	5.0	7.7	4.7	4.5	3.5	4.6
28. Management and support services	8.3	2.9	3.4	2.1	2.2	0.4	3.0	1.3
29. Office of Information and Communications Technology	—	—	14.8	9.7	10.5	1.8	5.3	2.8
30. Internal oversight	12.5	7.9	8.2	2.3	20.8	8.3	14.0	7.1
34. Safety and security	8.6	2.6	10.7	13.3	19.2	4.4	11.8	4.2
37. United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)	—	—	—	—	—	—	23.0	36.3
Total	**8.2**	**3.2**	**9.1**	**3.8**	**8.1**	**4.1**	**6.2**	**4.7**

[a] Vacancy rates as at 30 September 2011 have been used for the purpose of presenting a global analysis for the 21-month period.

Annex

Responses received to the questionnaire on mechanisms to protect and mitigate the effects of fluctuations in exchange rates and inflation used by the organizations of the United Nations system

	Options for protecting against		*If yes, options used for*			
Organization	*Inflation*	*Exchange rates*	*Inflation*	*Exchange rates*	*Percentage of currency exposure*	*Experience and lessons learned*
International Labour Organization (ILO)	No	Yes	n/a	The ILO regular budget is based in United States dollars but assessed in Swiss francs. It is normally adopted in the June of each year, before the budgetary biennium commences A budgetary rate of exchange is set at the time the budget is adopted. The exchange rate is established by forecasting the foreign exchange needs of ILO in the next biennium, between Swiss francs and United States dollars. This estimate of needs for United States dollars is used as the basis of 24 forward purchase contracts at a set rate, which becomes the budgetary rate of exchange. The forward purchase contracts are established with banks after receiving quotations on rates available on the day of adoption	With the above methodology there is no currency exposure for Member States in respect of their assessed contributions	The system, as established, has always worked in maintaining the ILO approved budget at the set rate and has also provided a return for Member States in respect of their paid assessments

Organization	Options for protecting against: Inflation	Options for protecting against: Exchange rates	If yes, options used for: Inflation	If yes, options used for: Exchange rates	Percentage of currency exposure	Experience and lessons learned
				The exchange rate policy used by ILO is set up to charge all regular budget expenditure through the biennium at the budgetary rate of exchange. At the end of the year and the end of the biennium, ILO undertakes a reconciliation exercise with the United Nations rate of exchange and actual rates applied A proportion of the difference between the premiums paid and the difference of exchange rates is returned to the Member States after the financial period. This is based on the financial regulations of ILO, which set out eligibility for payments		

Organization	Options for protecting against: Inflation	Options for protecting against: Exchange rates	If yes, options used for: Inflation	If yes, options used for: Exchange rates	Percentage of currency exposure	Experience and lessons learned
International Maritime Organization (IMO)	No	No	No direct protection measure other than the supplementary budget proposal by the Secretary-General of IMO in the event that the approved budget cannot absorb the impact of inflation on resource requirements	No direct protection measure other than the review of the IMO Council to undertake the recalculation of the budget estimates and assessment figures in the light of the prevailing exchange rate situation	Approximately 10 per cent (paid in United States dollars) of the regular budget approved in pounds	Due to deep depreciations of the pound against the United States dollar in 2009, which led to a significant increase in the budget proposed for the 2010-2011 biennium, the IMO Council has requested its secretariat to review the possibility of preparing the budget using two main currencies. In his budget proposal for IMO for the 2012-2013 biennium, the Secretary-General is going to propose some measures to minimize the currency fluctuation impact on the budget
International Fund for Agricultural Development (IFAD)	n/a	n/a				IFAD does not have a foreign exchange rate exposure practice/policy in place. All assets are balanced against liabilities (denominated in special drawing rights) through the maintenance of an investment portfolio balanced against its special drawing rights (by external portfolio managers)

Organization	Options for protecting against: Inflation	Options for protecting against: Exchange rates	If yes, options used for: Inflation	If yes, options used for: Exchange rates	Percentage of currency exposure	Experience and lessons learned
United Nations Children's Fund (UNICEF)	Yes	Yes	Long-term contracts	UNICEF employs the following two strategies: hedging the balance sheet; selling currency forward	Estimated at 30 per cent	Risk management is provided by having the proper tools in place, including information on cash flow by currency, period and amount, as well as by having the necessary financial tools (such as Bloomberg L.P.) to provide market information and prices
United Nations Industrial Development Organization (UNIDO)	No	Yes	Inflation estimates are considered during the budget approval phase; once the budget is approved no further adjustment is undertaken to account for inflationary changes	For the regular budget (assessed contributions) there is an exchange rate reserve, which covers any exchange rate loss emanating from variances in the operational rates from those assumed in the budget. Gains are kept in the same reserve. The reserve provides a protection for the purchasing power of the regular budget against exchange rate fluctuations to the extent of the balance of the reserve	The UNIDO budget is based on the euro. The regular budget has an exposure level of about 17 per cent in other currencies, mostly the United States dollar	The UNIDO experience with the exchange rate reserve mechanism has been very satisfactory since its inception in 2002

Organization	*Options for protecting against*		*If yes, options used for*		*Percentage of currency exposure*	*Experience and lessons learned*
	Inflation	*Exchange rates*	*Inflation*	*Exchange rates*		
World Food Programme (WFP)	No	Yes		WFP hedges the euro-based component for its programme support and administrative budget expenses for the following budget period. This tool involves buying the right to purchase a determined amount of euros at a fixed exchange rate	Approximately 35 per cent of the programme support and administrative budget	The foreign exchange hedging strategy for euro-related expenditure in the programme support and administrative budget has significantly increased the certainty of the United States dollar value of staff expenditures at WFP headquarters, allowing for more accurate budget planning in that foreign exchange risk can be mitigated by using forward contracts Hedging arrangements have proven to be a cost-efficient risk-management tool that provides certainty for important budget components The hedging decision is made 6 to 9 months in advance of the start of the budget period, ensuring stability for the full planning process through the inclusion of the hedged euro/United States dollar rate in standard position costs and non-staff budgets

Organization	Options for protecting against: Inflation	Options for protecting against: Exchange rates	If yes, options used for: Inflation	If yes, options used for: Exchange rates	Percentage of currency exposure	Experience and lessons learned
						The choice of a simple series of foreign exchange forward contracts rather than alternative hedging arrangements is driven by the overhead budget structure and the WFP financial rules. The main advantages of the current structure are the low cost of implementation and the certainty of outcomes from the outset. Transaction costs for foreign exchange forward contracts are on average 3 basis points of the transaction amounts: hence, on the basis of the monthly hedge amount of €5.0 million, the transaction cost amounts to approximately $25,000 per year A hedge can result in a financial gain or loss that is offset by the opposite result in the primary position. This tool is only intended to minimize foreign exchange risk and remove one of the uncertainties in budget planning. Cumulative gains and losses have resulted in a small gain since 2006

Organization	Options for protecting against: Inflation	Options for protecting against: Exchange rates	If yes, options used for: Inflation	If yes, options used for: Exchange rates	Percentage of currency exposure	Experience and lessons learned
Joint United Nations Programme on HIV/AIDS (UNAIDS)	Yes	Yes	Recosting of the budget, which was not implemented in the biennium 2010-2011 but is being considered for 2012-2013. Another tool that could be used is the discretionary authority of the Executive Director of UNAIDS to programme and disburse funds received by way of contributions up to the maximum 10 per cent above the approved budget	In 2010, through World Health Organization (WHO) treasury services, UNAIDS started hedging foreign exchange for receivables in order to mitigate the currency exchange risk that arises as a result of differences in the exchange rates at which foreign currency receivables are recorded and the exchange rates at which cash receipts are subsequently recorded. In addition to the above, and together with WHO, UNAIDS is in the process of implementing a monthly rolling forward currency purchase programme to hedge the currency exposure of future payroll expenditures from 2012 onwards. The expected results are increased certainty relating to the effective exchange rates and thus minimization of the differences between actual and standard staff costs	65 per cent of the budget of the secretariat of UNAIDS	Given that the above mechanisms have only been implemented quite recently, no significant lessons have yet been learned

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General Assembly

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Sixty-sixth session
Agenda item 133
Programme budget for the biennium 2010-2011

Second performance report on the programme budget for the biennium 2010-2011

Report of the Secretary-General

Corrigendum

Paragraph 63

Subparagraph (c) (ii) *should read*

(ii) the provision of support to new and extended activities of commissions of inquiry and fact-finding missions resulting from the decisions of the Human Rights Council at its sixteenth, seventeenth and eighteenth sessions in 2011, especially the mandates of the Council relating to subprogramme 3, Advisory services, technical cooperation and field activities, and subprogramme 4, Supporting the Human Rights Council, its subsidiary bodies and mechanisms, including urgent unforeseen requirements for independent commissions of inquiry and fact-finding missions to Côte d'Ivoire, Libya, the Syrian Arab Republic and Gaza;

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United Nations A/66/579–S/2011/750

General Assembly
Security Council

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1 December 2011

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General Assembly
Sixty-sixth session
Agenda item 120
Implementation of the resolutions of the United Nations

Security Council
Sixty-sixth year

Letter dated 30 November 2011 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General

Upon instructions from my Government, and with reference to your request contained in your note dated 12 January 2011 concerning General Assembly resolution 65/30 of 6 December 2010, entitled "Consideration of effective measures to enhance the protection, security and safety of diplomatic and consular missions and representatives", I have the honour to inform you of the following in regard to the recent incident involving the premises of the Embassy of the United Kingdom of Great Britain and Northern Ireland in Tehran:

1. On Tuesday, 29 November 2011, at approximately 2 p.m., a group of around 400 students gathered in front of the Embassy of the United Kingdom in Tehran in a peaceful protest against the British Government's policies vis-à-vis the Iranian nation. At around 4 p.m., the protest went out of control after a few protesters tried to break the security line and enter the premises. Despite all preventive measures taken by the Police, unfortunately a group of protesters stormed the premises of the Embassy and caused damage to the building and properties therein. The premises were evacuated later on with the deployment of additional anti-riot police forces and after direct involvement of the highest-ranking police officials, including the Chief Commander of the Islamic Republic of Iran's Law Enforcement Forces (Police) and Tehran's Police Chief.

2. At approximately the same time, a group of 60 to 70 gathered outside the United Kingdom Embassy's residential compound in Tehran. A number of protesters entered the compound after a fierce clash with the security guards and caused damage to the property.

3. The Islamic Republic of Iran expresses its regret over these incidents and reaffirms its full commitment under relevant international instruments to take all appropriate measures to protect the premises of diplomatic missions against intrusion or damage and to prevent any attack on the person of the staff members of the missions. Measures have already been taken by the judicial authorities to thoroughly investigate the incidents and identify the culprits.

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It would be appreciated if the present letter could be circulated as a document of the General Assembly, under agenda item 120, and of the Security Council.

(*Signed*) Mohammad **Khazaee**
Ambassador
Permanent Representative

United Nations A/66/580

General Assembly

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2 December 2011
English
Original: Arabic

Sixty-sixth session
Agenda item 36
The situation in the Middle East

Letter dated 9 November 2011 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit to you herewith the position of Lebanon, in preparation for the comprehensive assessment that you will present in your forthcoming report on the implementation of Security Council resolution 1701 (2006) (see annex).

I should be grateful if you would have the present letter and its annex issued as a document of the General Assembly, under agenda item 36, and of the Security Council.

(*Signed*) Nawaf **Salam**
Ambassador
Permanent Representative

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Annex to the letter dated 9 November 2011 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General*

Position of Lebanon in preparation for the comprehensive assessment that will be presented by the Secretary-General in his forthcoming report on the implementation of Security Council resolution 1701 (2006)

In preparation for the comprehensive periodic assessment that will be presented by the Secretary-General in his forthcoming report on the implementation of Security Council resolution 1701 (2006), Lebanon wishes to stress that from the day resolution 1701 (2006) was adopted, Israel has failed to honour its obligation to implement it or to withdraw from all occupied Lebanese territory, and has persisted in violating both the provisions of the resolution and Lebanese sovereignty, thereby ensuring that no progress has been made in the implementation of resolution 1701 (2006) with respect to obliging Israel to withdraw from all Lebanese territory and cease its infractions. Lebanon would like to draw attention to the following:

1. Lebanon reiterates its commitment to the full implementation of resolution 1701 (2006) and calls on the international community to bring pressure to bear on Israel to fulfil its obligation to implement that resolution in full.

2. Since the last assessment, the Israeli army has continued to violate Lebanese sovereignty and all provisions of resolution 1701 (2006). Those violations include the following:

(a) During the reporting period, the Israeli enemy army continued to violate the sovereignty of Lebanese territory, airspace and territorial waters, committing 495 air violations, 107 land violations and 204 sea violations, bringing the number of violations committed by Israel since the adoption of resolution 1701 (2006) to some 9,168. Those violations flagrantly flout Lebanese sovereignty and the provisions of resolution 1701 (2006), which calls for full respect for the Blue Line. Lebanon therefore calls upon the international community to bring pressure to bear on Israel and oblige it to cease its daily violations of Lebanese sovereignty and to respect the international resolutions adopted by the United Nations. Lebanon absolutely rejects any attempt to link those violations to claims of arms smuggling.

(b) Lebanon notes yet again that Israel threatens Lebanon on a daily basis, carrying out hostile activities across the Blue Line and installing the spying networks that were uncovered in recent months, which were working in Lebanese territory on behalf of Israel and constitute a flagrant violation of resolution 1701 (2006) that made it necessary to submit a complaint to the Security Council.

(c) Notwithstanding all the efforts that have been exerted by the United Nations Interim Force in Lebanon (UNIFIL) in order to facilitate the complete withdrawal of Israel from the northern part of the village of Ghajar, with a view to achieving which aim the Lebanese Government is cooperating with UNIFIL, the Israeli army continues to occupy that area, thereby violating its obligation to withdraw unconditionally behind the Blue Line in accordance with resolution 1701 (2006).

* Also circulated in S/2011/711.

(d) The continued occupation by Israel of the Lebanese Kafr Shuba hills and Shab'a Farms constitutes a threat to stability and security all along the borders, as well as a violation of Security Council resolutions 425 (1978) and 1701 (2006). Lebanon demands that Israel should completely and unconditionally withdraw from those areas, and thereby fully resolve the issue. Lebanon urges the Secretary-General of the United Nations to intensify his diplomatic efforts to ensure that Israel withdraws from that Lebanese territory.

(e) Israel's delay in providing data on the positions of unexploded ordnance, including the cluster bombs that were dropped at random on civilian areas, has caused the death or injury of more than 400 persons, including more than 51 fatalities and 357 injured. Lebanon yet again underlines the fact that the Government of Lebanon has its doubts about the precision of the maps that it has received from Israel. The Lebanese Army has asked for aerial photographs or video pictures of the targeted areas before and after the bombardments and for information regarding the dates on which the cluster bombs that were used during the Israeli raids were dropped, together with the quantity and type of those bombs.

That crime against humanity comes on top of another, persisting crime, namely, the landmines that were laid in Lebanon by Israel, largely during its 22-year occupation of Lebanese territory. Lebanon urges the United Nations and donor countries to continue to address that issue, in order to protect the lives of innocent civilians, and calls for the Lebanon Mine Action Centre to be granted the necessary financial resources to enable it to carry out its mandate. In view of the numerous crimes that Israel has committed against Lebanon and its population, Israel should pay appropriate compensation.

(f) The Israeli army has continued to use launches to carry out illegal patrols inside Lebanese territorial waters, close to what is known as the "line of buoys" that Israel positioned unilaterally and illegally inside Lebanese territorial waters. Israel fraudulently claims that the aforesaid line approximates the southern borders of Lebanese territorial waters. Lebanon reiterates its refusal to recognize any line that has been imposed unilaterally and considers the Israeli measures to be further violations of Lebanese sovereignty and resolution 1701 (2006). Lebanon therefore further requests the United Nations to authorize UNIFIL to put in position in the region a line of buoys that is in keeping with international standards.

3. During the reporting period, in addition to the relevant documents that it had already deposited, Lebanon deposited with the United Nations the following:

- A map that delineates the southern maritime border with occupied Palestine of Lebanon's exclusive economic zone and sets forth the geographical coordinates of that border, that were drawn in accordance with international standards.

- Two maps relating to the south-western borders of Lebanon's exclusive economic zone, with tables that set forth the geographical coordinates of those borders.

Furthermore, two letters on this matter were addressed to the Secretary-General on 4 January 2011 and 17 February 2011, in which the Secretary-General was requested to call upon UNIFIL to undertake the delineation of a maritime security border, along the lines of the Blue Line on land, that conforms to the southern and south-western borders of Lebanese territorial waters and of Lebanon's

exclusive economic zone. That would be in keeping with the role played by UNIFIL in determining the land borders of Lebanon.

On 20 June 2011 and 3 September 2011, the Minister for Foreign Affairs and Emigrants addressed letters to the United Nations Secretary-General expressing, respectively, Lebanon's objection to the agreement signed by Cyprus and Israel, and to the coordinates which Israel deposited with the United Nations with regard to its exclusive economic zone.

4. The Lebanese Army is continuing to strengthen field and strategic cooperation with UNIFIL.

(a) The continuing coordination between the Lebanese Army and UNIFIL is particularly evident in their joint patrols, joint checkpoints and joint military training operations and exercises.

(b) Lebanon stresses the fact that none of the reports of the Secretary-General on the implementation of Security Council resolution 1701 (2006) has made any reference to indications that weapons are smuggled into the UNIFIL area of operations. All weapons that have been seized are remnants of the war waged against Lebanon by Israel in the summer of 2006. Lebanon further stresses once again that the Lebanese Army and the Lebanese security apparatus have not reported any incidence of weapon smuggling since the most recent report of the Secretary-General on the implementation of Security Council resolution 1701 (2006) was submitted to the Security Council.

(c) Israel's claim that weapons are being stockpiled and military installations established in densely populated civilian areas in South Lebanon bears no relation to the truth, and is designed to facilitate the targeting by Israel of innocent Lebanese civilians and justify their slaughter and terrorization, regardless of the fact that all international instruments and, in particular, those of international humanitarian law, outlaw and criminalize the targeting of civilians.

(d) Lebanon continues to participate in tripartite meetings that are held with a view to maintaining peace along the Blue Line. Those meetings are the appropriate place in which to address issues pending from resolution 1701 (2006) and flashpoints along the aforementioned Line. Israel's persistence in resorting to unilateral measures undermines those tripartite meetings and the role of UNIFIL in maintaining the peace in its area of operations. Furthermore, those unilateral measures are intended to raise doubt as to the capacity of the Lebanese armed forces to defend the sovereignty of all Lebanese territory, contrary to the spirit of resolution 1701 (2006).

(e) With respect to the positioning of markers along the Blue Line, Lebanon affirms yet again the agreement that was reached at the tripartite meeting with a view to making progress in and accelerating that operation. Israeli procrastination in that regard raises doubts as to its real intentions.

5. Lebanon stresses the importance of strengthening and raising the level of international assistance in building the capacities of the Lebanese Army and security forces and preparing them to perform their duty to defend Lebanese sovereignty and protect the Lebanese people. The Lebanese Army needs reinforcements of arms and ammunition and to acquire more modern means of surveillance and up-to-date

communications equipment. It also requires training in the use of all such equipment and apparatus.

6. At the economic level, we once more support the call that is made to the international community in resolution 1701 (2006) to extend more of the assistance that is necessary for the reconstruction and development of Lebanon. In that connection, we urge States that took part in the Stockholm Conference, Paris III and the Vienna Conference to honour their commitments. Lebanon greatly appreciates all economic and social programmes and humanitarian assistance that UNIFIL provides to the Lebanese people in its area of operations, including projects that have an immediate impact and emergency medical services.

7. If stability and security are to be enhanced, a move must be made from a situation of cessation of hostilities towards a situation of permanent ceasefire.